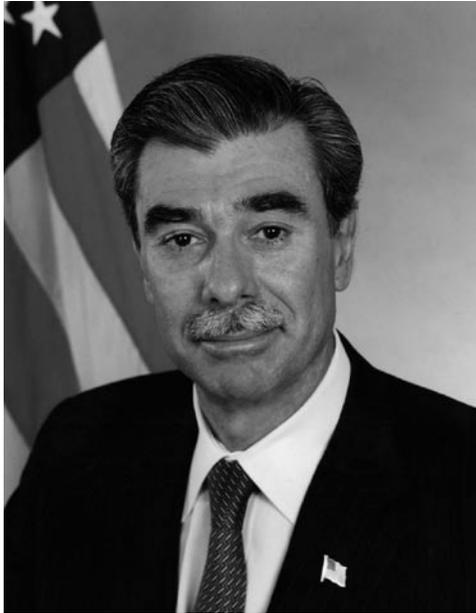
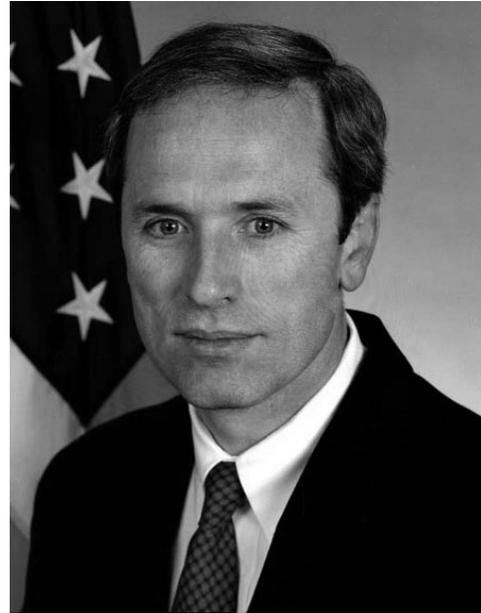




**BUREAU OF
INDUSTRY AND SECURITY
ANNUAL REPORT
FISCAL YEAR 2006**



Carlos M. Gutierrez
Secretary of Commerce



Mark Foulon
Acting Under Secretary for
Industry and Security



STATEMENT OF THE SECRETARY AND ACTING UNDER SECRETARY

We are pleased to present this report of the Fiscal Year 2006 activities of the Department of Commerce's Bureau of Industry and Security (BIS) in support of President Bush's security and economic agenda for the American people.

It is a privilege to lead BIS at this time of both unprecedented opportunity and of important security challenges for the American people. BIS helps America capture the opportunities and meet the challenges by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership.

This year's report explains how BIS supported secure trade. For example, BIS evaluated, in an expeditious manner, 18,941 export license applications worth \$36 billion. Many of these licenses, in turn, made possible additional unlicensed exports, thereby paving the way for billions of dollars in U.S. exports in a manner consistent with U.S. national security needs.

Beyond our borders, BIS worked with America's allies to enhance multilateral cooperation on export controls. These efforts multiplied the security impact of our export controls, helping create a level playing field for American exporters. BIS also helped strengthen the global effectiveness of export controls by providing technical assistance to countries that are improving their export control systems. In addition, BIS developed initiatives toward key countries, such as China and India, which increased U.S. security and facilitated American exports to these major markets. BIS's efforts with respect to China were capped by the publication of a draft China policy rule that, among other features, introduced an innovative new Validated End-User Program to lift certain license requirements from trusted customers in China. We expect to publish the final rule in the first half of Fiscal Year 2007.

BIS also continued to meet its responsibilities for supporting treaty-based non-proliferation efforts by overseeing and facilitating compliance by the U.S. businesses community with the Chemical Weapons Convention (CWC). In the past year, BIS hosted domestic inspections by international teams to verify U.S. companies' compliance with treaty obligations, and received and analyzed industry reports required by the CWC.

Crime must not be a competitive advantage, so BIS backed its policies with effective enforcement. Through increased focus and support, BIS agents developed cases that led to 34 criminal convictions with \$3 million in criminal penalties and to a near doubling of administrative penalties to 104 cases with \$13.1 million in fines. These successful enforcement actions include some \$95,950 in administrative fines for violations of U.S. anti-boycott law and regulations.

BIS also promoted American competitiveness through programs to strengthen the ability of U.S. industry to meet vital national security requirements. BIS participated in the interagency CFIUS process to evaluate the effects on national security of foreign

investments in American companies, provided successful defense trade advocacy for U.S. industry worth \$4.4 billion, and assessed the impact of defense trade offsets on American firms. Through the Defense Priorities and Allocations System, BIS continued its support for U.S. and other Coalition forces in Iraq and Afghanistan.

The competitiveness that lies at the heart of America's economic future relies on America's ability to attract the world's best minds. At the same time, BIS is working to ensure that American openness to global talent does not endanger American security. To prevent sensitive information to fall into the hands of those who would do us harm, BIS administers the "deemed export" regulations that regulate the transfer of sensitive information to foreign nationals in the United States. To make sure that these controls strike the right balance between security and openness in America's dynamic labs, BIS supported the launch of the Department's Deemed Export Advisory Committee, a group of distinguished Americans who will study the issue and make policy recommendations at the end of Fiscal Year 2007.

In performing these functions, BIS is committed to engage in consultation with and outreach to the exporting community. For example, BIS conducted unprecedented outreach to exporters to explain and answer questions about the proposed new China policy. The Deemed Export Advisory Committee was the direct result of literally hundreds of comments BIS received from exporters and universities. Every year, BIS conducts hundreds of private sector outreach activities, culminating in the annual Update Conference, which in Fiscal Year 2006 attracted over 800 participants for a two-day program.

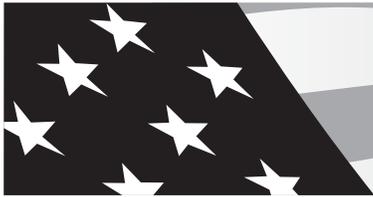
Looking ahead to Fiscal Year 2007, the men and women of BIS are poised to continue their efforts on behalf of the security and prosperity of the American people. We are proud to lead and support them in their important work.



Mark Foulon
Acting Under Secretary
for Industry and Security



Carlos M. Gutierrez
Secretary of Commerce



**BUREAU OF INDUSTRY AND SECURITY
FISCAL YEAR 2006 ANNUAL REPORT**

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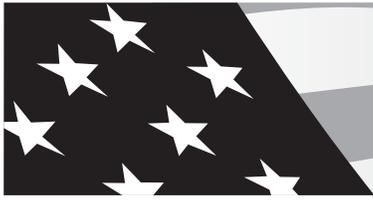
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Executive Summary

This report summarizes the activities of the Department of Commerce's Bureau of Industry and Security (BIS) during Fiscal Year 2006, from October 1, 2005, through September 30, 2006¹.

Highlights of Fiscal Year 2006

Fiscal Year 2006 was a year of accomplishment for BIS as it worked to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. BIS strengthened and streamlined the U.S. dual-use export control system, expanded participation in the global system, and helped reduce illicit activity occurring outside the system. BIS also worked with the private sector to support the U.S. defense industrial and technological base.

In Fiscal Year 2006, BIS continued to adapt its policies on controls of exports and re-exports of U.S.-origin items to geopolitical, security, technological, and market developments. The past year witnessed several innovations and developments:

- BIS published for public comment a proposed rule to clarify and refine U.S. policy on dual use export control policy toward China. The rule proposed a new authorization for Validated End-Users; a military end-use license requirement for certain items; and expanded support documentation requirements, all in support of U.S. policy intended to facilitate dual use exports for civilian use while denying items that would support China's military modernization.
- During the 2006 Joint Commission on Commerce and Trade, BIS and the Ministry of Commerce of the People's Republic of China (MOFCOM) established a U.S.-China High Technology and Strategic Trade Working Group. The objective of the Group is to strengthen U.S.-Chinese civilian high technology and other strategic trade cooperation and increase mutual trust.
- BIS supported the establishment of the Secretary of Commerce's Deemed Export Advisory Committee (DEAC), created to review and provide recommendations to the Secretary of Commerce on releases of technology and source code to foreign nationals in U.S. universities, businesses, and research institutions ("deemed exports").
- BIS implemented a new policy to replace the outdated composite theoretical performance (CTP) formula for the export of high performance computers, replacing millions of theoretical operations per second (MTOPS) with a new formula called the Adjusted Peak Performance (APP), measured in units of Weighted TeraFLOPS (WT).
- BIS implemented the United States' rescission of Libya's designation as a State sponsor of terrorism. It amended The Export Administration Regulations by removing Libya from the list of terrorist supporting countries and by making other conforming changes.

Exporters depend on timely and accurate processing of their licenses to export controlled items, and BIS continued to streamline the system.

¹ In accordance with past practice, this report has been prepared and is being submitted to Congress pursuant to the annual reporting requirement set forth in Section 14 of the Export Administration Act of 1979 as amended (EAA). It should be noted, however, that this annual reporting requirement, together with the rest of the EAA, has expired, and that the President has continued the U.S. dual-use export control regime under the authority of the International Emergency Economic Powers Act. It should be further noted that some of the information included in this report fulfills reporting requirements in statutes other than the EAA.

Executive Summary

- In Fiscal Year 2006, BIS processed 18,941 export license applications worth approximately \$36 billion. This marked an increase of 13 percent over the 16,719 applications processed in Fiscal Year 2005 and represented the highest number of applications reviewed by the Bureau in over a decade. BIS approved 15,982 license applications, returned 2,763 applications without action, and denied 189 applications², with an average processing time of 33 days.

Fiscal Year 2006 was also a year of outstanding accomplishment in enforcing America's dual-use export control and antiboycott laws and regulations.

- BIS investigations resulted in the criminal conviction of 34 individuals and businesses and over \$3 million in criminal fines for export and antiboycott violations, as compared to 31 convictions and over \$7.7 million in criminal fines in Fiscal Year 2005.
- BIS investigations resulted in the completion of 104 administrative cases against individuals and businesses and over \$13 million in administrative penalties, as compared to 74 cases and over \$6.8 million in administrative penalties in Fiscal Year 2005. These penalties include 9 cases and \$95,950 for antiboycott violations, as compared to 5 cases and \$57,000 in Fiscal Year 2005.

In Fiscal Year 2006, BIS also continued its aggressive outreach program of communication with industry and other interested parties, both in support of rule-making and to educate exporters on their responsibilities under U.S. law.

- BIS reached more than 4,800 people through 52 domestic export control outreach seminars conducted in 19 states. These seminars provided guidance to new and experienced exporters regarding the EAR, changes in export policy, and licensing procedures.
- BIS conducted specialized outreach efforts concerning deemed export enforcement and other efforts focused on assisting freight forwarders.

- BIS conducted nine international export control outreach seminars in Germany and Austria which were well-received in all locations.

Fiscal Year 2006 also saw continued achievement in BIS's defense industrial base and advocacy activities.

- In cooperation with the Department of Defense, BIS worked to support American and Coalition troops in Iraq and Afghanistan by expediting the delivery of special ballistic material to produce lightweight body armor. In addition, in cooperation with the Department of Homeland Security, BIS expedited the delivery of equipment to support emergency preparedness and critical infrastructure protection requirements.
- BIS successfully assisted U.S. companies in obtaining contracts to supply foreign governments with defense articles worth approximately \$4.4 billion. These sales help maintain the U.S. defense industrial and technological base and preserve employment in high-technology industries.
- In 2006, BIS completed two industrial base assessments the *National Security Assessment of the U.S. Cartridge and Propellant Actuated Device (CAD/PAD) Industry*, and the *Defense Industrial Base Assessment of the U.S. Imaging and Sensors Industry*.
- BIS, in coordination with the Department of Commerce's International Trade Administration, reviewed 78 proposed foreign acquisitions submitted to the Committee on Foreign Investment in the United States to ensure that they did not threaten U.S. national security.

In Fiscal Year 2006, BIS helped the United States meet its treaty compliance responsibilities under the Chemical Weapons Convention (CWC) by receiving and verifying 774 declarations and reports from 599 plant sites. BIS also hosted ten on-site inspections of U.S. facilities engaged in chemical-related activities.

² Seven (7) of the 18,941 applications completed in Fiscal Year 2006 were later revoked or suspended.

As an implementing agency for the Department of State-funded interagency Export Control and Related Border Security (EXBS) Program, BIS managed or participated in 68 technical exchanges, export control meetings, or conferences with 28 countries during Fiscal Year 2006.

Finally, BIS continued its role in furthering U.S. government interests in the four major multilateral export control regimes – the Australia Group (chemical and biological weapons), the Missile Technol-

ogy Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement (conventional arms and related dual-use items).

Through these activities and more, as detailed in this Annual Report, the men and women of the Bureau of Industry and Security bolstered American security while supporting American economic growth and innovation. These accomplishments provide a solid foundation for BIS's continued efforts in Fiscal Year 2007.



Chapter 1: Export Control Policy and Regulations

Mission

The mission of the Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. BIS principally accomplishes this mission by maintaining and strengthening an adaptable and effective dual use export control system.

Dual-use items subject to BIS's regulatory jurisdiction have primarily commercial uses, but also have military and proliferation applications, or may be used in terrorist activities. BIS has primary responsibility for implementing U.S. export control policy on such dual-use commodities, software, and technology. To accomplish its objectives, BIS promulgates clear, concise, and timely changes to the Export Administration Regulations (EAR) setting forth license requirements and licensing policy for the export of dual-use items.

A central area of focus is implementation of export controls agreed to in the four major multilateral export control regimes – the Australia Group (chemical and biological nonproliferation), the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement (conventional arms and dual-use goods and technologies).¹ Other BIS regulations support U.S. foreign policy and national security interests, including regulations that implement sanctions policies, execute legislation specify licensing agency jurisdictional authority for a given item, and clarify the rights and obligations of U.S. exporters.

1. Please see Chapter 5 for additional information.

2. Please see Appendix B for more details.



Acting Under Secretary Mark Foulon addresses the inaugural meeting of the Deemed Export Advisory Committee.

BIS consults closely with industry on the development of regulatory policy through its six Technical Advisory Committees (TACs). The TACs provide valuable input regarding industry perspectives on trends in technology and the practicality and likely impact of export controls. In addition, BIS often publishes rules in proposed form to provide the exporting community an opportunity to review and comment on regulations before they take effect.

Accomplishments in Fiscal Year 2006

In Fiscal Year 2006, BIS adapted its dual-use export control policies to important geopolitical, security, technological, and market developments.²

Country-Specific Policies

China

China continues to be one of the largest foreign markets for controlled items. In Fiscal Year 2006, nearly 10 percent of all licenses were for end users in China. While China is a party to several nonproliferation treaties, including the Nuclear Non-Proliferation Treaty, the Chemical Weapons Convention, and the Biological Weapons Convention and has joined the Nuclear Suppliers Group, it is not a member of the Wassenaar Arrangement, the Missile Technology Control Regime, or the Australia Group. Exports to China are also controlled by a number of statutory provisions.

In Fiscal Year 2006, BIS continued its successful efforts to facilitate U.S.-China civilian high-technology trade, consistent with U.S. security requirements. At the 2006 Joint Commission on Commerce and Trade (JCCT), for example, BIS and the Ministry of Commerce of the People's Republic of China (MOFCOM) agreed to establish the U.S.-China High Technology and Strategic Trade Working Group and held the Working Group's inaugural meeting. The objective of the group is to strengthen U.S.-Chinese civilian high technology and other strategic trade cooperation and increase mutual trust. It will provide an important new mechanism for full implementation of the End-Use Visit Understanding that was reached at the 2004 JCCT, further enhance bilateral cooperation, and develop principles and methods to facilitate such trade.

In July 2006, BIS published a proposed rule that would revise and clarify U.S. export control policy toward China. These proposed changes are designed to facilitate commercial, civilian trade with China while preventing exports that would make a material contribution to China's military capabilities. To facilitate regular, ongoing commercial trade with end-users in China that have an established record of engaging in only civil end-use activities and not contributing to the proliferation of weapons of mass destruction, the proposed rule would create a new authorization for validated end users in China that would allow exports to specified end users without the otherwise required license. Further, the proposed rule would expand U.S. controls on exports of goods and

technologies that otherwise do not require an export license for China, when the exporter knows that the export is destined for a military end use. This new military end-use control would apply to a targeted list of 47 categories of otherwise uncontrolled items.

India

During Fiscal Year 2006, BIS continued to lead the successful U.S.-India High Technology Cooperation Group (HTCG). In September 2006, a BIS delegation followed up on the December 2005 HTCG by conducting seminars for Indian industry on current and prospective opportunities for U.S.-India high technology trade in Mumbai, Bangalore, New Delhi, and Hyderabad, India. The BIS team explained the current United States trade policy and highlighted the wide range of products available to most end-users in India without a license. The HTCG is scheduled to meet in 2007 to continue its work in identifying and eliminating tariff and non-tariff barriers to high technology trade between the United States and India.

Libya

BIS played a major role in the normalization of economic relations between the United States and Libya. On August 31, 2006, BIS published an amendment to the Export Administration Regulations (EAR) that reflected Libya's rescission from the list of designated state sponsors of terrorism. This amendment removed all anti-terrorism controls on Libya and made Libya eligible for a greater number of license exceptions. As a result, U.S. industry is able to export a significant number of dual-use items to Libya without BIS licenses, further stimulating bilateral trade between the two countries. This action was the latest step in a gradual improvement of relations between the United States and Libya that began with Libya's renunciation of terrorism and abandonment of its weapons of mass destruction programs in 2003.

Commodity-Specific Policies

Deemed Exports

In March 2005, BIS published an Advanced Notice of Proposed Rulemaking (ANPR) seeking public comments on recommendations to deemed export policy put forth in the March 2004 Department of Commerce's Office of

Inspector General (OIG) report entitled “Deemed Export Controls May Not Stop the Transfer of Sensitive Technology to Foreign Nationals in the U.S.” In response to this ANPR, BIS received a record number of public comments, over 300, from industry, academia, and non-profit organizations.

Understanding the importance of the issues raised by the OIG, BIS published a Federal Register Notice on May 22, 2006 announcing the formation of a Federal advisory committee, the Deemed Export Advisory Committee (DEAC). The committee is tasked to evaluate current deemed export policy and make recommendations to the Secretary of Commerce. These recommendations are due to the Secretary of Commerce by late 2007. The Secretary selected twelve committee members from the ninety submissions received from well-qualified applicants representing a variety of industry sectors and spanning different academic and government disciplines.

In addition to the formation of the DEAC, on May 31, 2006, after careful review and consideration of public comments, BIS published a withdrawal of the March 2005 ANPR. In this Federal Register Notice, BIS issued clarification on the definition of “use,” and retained the licensing policy of recognizing a foreign national’s most recent country of residence or citizenship for purposes of deemed exports, declining to adopt the OIG’s country of birth recommendation. The notice also provided guidance and clarification on the regulatory requirements associated with fundamental research.

BIS also issued a new chapter to its Special Agents Manual providing specific guidance on deemed export enforcement issues, including specific procedures for BIS’s new Deemed Export Compliance Review Program, which conducts focused reviews of deemed export license holders to ensure compliance with license conditions and uncover unauthorized technology releases. The Deemed Export initiative was implemented and personnel hired to develop improved methodologies targeting potential violations to result in investigative leads referred to Special Agents for further investigation.

High Performance Computers

BIS and its multilateral Wassenaar Arrangement (Wassenaar) regime partners maintain export controls on high performance computers (HPCs) in recognition of the strategic and proliferation significance of HPCs, including related software and technology. Such controls are adjusted from time to time to reflect advances in computer technology and expanding worldwide availability, so that controls on HPCs are effective and do not unnecessarily impede legitimate computer exports.

In Fiscal Year 2004, the BIS launched an extensive effort to replace the outdated composite theoretical performance



Deputy Secretary of Commerce Dr. David Sampson and co-chairs Dr. Norman Augustine and Dr. Robert Gates conduct the inaugural meeting of the Deemed Export Advisory Committee.

(CTP) formula, as measured in millions of theoretical operations per second (MTOPS). This effort resulted in a proposal during the Wassenaar 2005 list review to replace CTP with a new formula called the Adjusted Peak Performance (APP), measured in units of Weighted TeraFLOPS (WT). At its December 2005 Plenary meeting, Wassenaar agreed to adopt APP. Consequently, BIS published a rule in the Federal Register on April 24, 2006, that implemented the new HPC policy. This rule established the new licensing threshold for HPC exports to Computer Tier 3 countries, such as China and Russia, at 0.75 WT. In addition, this rule renamed License Exception CTP as License Exception APP to reflect the change to the

new formula. This rule also made extensive conforming changes to the EAR based on the new computer metric, such as revising the parameters for eligibility of License exception APP.

The April Federal Register rule change also moved Bulgaria from Computer Tier 3 and placed it in Computer Tier 1, effective June 3, 2006. Bulgaria is a member of Wassenaar, the Australia Group, the Nuclear Suppliers Group, and the North Atlantic Treaty Organization.

BIS End-Use Information

BIS worked during Fiscal Year 2006 to provide exporters with additional information on specific end-users to help ensure compliance with the EAR. On June 5, 2006, BIS imposed comprehensive export licensing requirements on Mayrow General Trading and several related entities in the UAE. Mayrow has acquired electronic components and devices capable of being used to construct Improvised Explosive Devices (IEDs) that have been, and may continue to be, employed in IEDs or other explosive devices used against Coalition Forces in Iraq and Afghanistan. Specifically, BIS requires a license for virtually any export to Mayrow or related entities.

Additionally, BIS published updates to the Unverified List (UVL) that added seventeen entities. These notices advised exporters that the involvement of a listed person as a party to a proposed transaction constitutes a “red flag”, requiring heightened scrutiny by the exporter before proceeding with such a transaction.

Industry Input on Export Control Policy and Regulations

BIS partners with U.S. industry to ensure that the private sector’s views on export control policy issues and regulations are fully considered in the regulatory process. Six Technical Advisory Committees (TACs), covering information systems, materials,

materials processing equipment, regulations and procedures, sensors and instrumentation, and transportation and related equipment, advised BIS on export control issues, including proposed revisions to multilateral export control lists, licensing procedures that affect export controls, and assessments of foreign availability of controlled products. TAC industry representatives are selected from firms producing a broad range of goods, technologies, and software. TACs meet on a quarterly basis.

Goals for Fiscal Year 2007

In Fiscal Year 2007, BIS will continue to update policies and regulations to meet the needs of a rapidly changing world. BIS plans to publish a final rule that will revise and clarify U.S. export control policy toward China and work toward implementing the proposed validated end-user program for China. BIS will also continue its focus on issues related to reviewing the deemed exports rule, including supporting the work of the DEAC. The DEAC is expected to issue its report to the Secretary in late 2007. BIS will continue to work with India within the HTCG to reduce barriers to high technology trade. In addition, BIS will provide exporters with additional information on specific end-users, including reviewing and expanding the Entity List, to help ensure compliance with the EAR.

Also in Fiscal Year 2007, BIS plans to develop and implement a methodology to determine the effectiveness of dual-use export controls by measuring the impact that implementation of the EAR has on U.S. national security and economic competitiveness. In addition, BIS expects to analyze export data to determine the economic impact of proposed changes to the Commerce Control List, better inform licensing decisions (e.g., via cumulation effect analysis), facilitate exporter adherence to the EAR, and identify trends with key trading partners to support bilateral and multilateral policy decisions.



Chapter 2: Export Licensing

Mission

A core part of the BIS mission, as mandated by Executive Order 12981, is administering an effective U.S. export control system by processing dual-use license applications in a consistent, accurate, and timely manner. BIS works closely with the Departments of Defense, Energy, and State, and the Central Intelligence Agency in performing its export license processing and related functions.

Accomplishments in Fiscal Year 2006

Export License Processing

In Fiscal Year 2006, BIS processed 18,941 export license applications worth approximately \$36 billion. This marked an increase of 13 percent over the 16,719 applications processed in Fiscal Year 2005 and represented the highest number of applications reviewed by the Bureau in over a decade. BIS approved 15,982 license applications, returned 2,763 applications without action, and denied 189 applications³. In Fiscal Year 2006, BIS continued to ensure the timely review of all licenses applications with an average processing time of 33 days.

In Fiscal Year 2006, the highest value of approvals – \$12 billion – was for the export of crude oil in return for equivalent amounts of refined product. The highest number of approvals under one commodity classification was for thermal imaging and light intensifying cameras (ECCN 6A003), with 2,664 approved applications for exports and reexports worth \$129 million. Approvals for Germany, Japan, and the United Kingdom accounted for 44 percent of all ECCN 6A003 approvals.



Assistant Secretary for Export Administration Christopher Padilla.

The People's Republic of China was the destination for the largest number of approved licenses. BIS approved 1,538 licenses for exports to China, worth more than \$2.4 billion; 29 percent of these were for so-called "deemed exports" licenses to release controlled technology or source code to Chinese nationals working in U.S. companies and universities. The average processing time for all approved licenses to China was approximately 14 percent less in Fiscal Year 2006 than in Fiscal Year 2005.

Cases Escalated for Dispute Resolution

Under Executive Order 12981, BIS's Operating Committee – with membership from the Departments of Commerce, Defense, Energy, and State – is tasked with resolving license applications when there is disagreement among the relevant U.S. Government agencies as to the appropriate licensing action. In Fiscal Year 2006, 138 cases were escalated to the Operating Committee for dispute resolution, a slight decrease from Fiscal Year 2005. Of these 138 cases, 14 were further escalated to the

3. Seven (7) of the 18,941 applications completed in Fiscal Year 2006 were later revoked or suspended.

Chapter 2: Export Licensing

policy-level Advisory Committee on Export Policy for resolution.

Deemed Exports

BIS processed 865 deemed export license applications in Fiscal Year 2006, an increase of 20 percent over Fiscal Year 2005. The increase was due to several factors, including targeted outreach to industry, academia and government research institutions, as well as the granting of several renewal and upgrade licenses to technology companies.

Most deemed export cases continue to involve the release of technology associated with the electronics (semiconductor manufacturing), telecommunications, computer, and aerospace industries. Such technologies are principally controlled for national security reasons. Almost 60 percent of the Fiscal Year 2006 deemed export licenses processed were for Chinese foreign nationals, followed in descending order by foreign nationals from India (13 percent), Iran (7 percent), Russia (2 percent) and Germany (2 percent), and UK (1 percent).

BIS also inaugurated its Deemed Export Compliance Review Program, under which BIS conducts focused reviews of deemed export license holders to ensure compliance with license conditions and uncover unauthorized releases of controlled technology. BIS conducted 14 deemed export compliance reviews in Fiscal Year 2006.

License Determinations

License determinations (LDs) are used to support enforcement actions connected with violations of the EAR. LDs serve as the basis for determining what license requirements, exceptions and restrictions/prohibitions apply to a specific export transaction under enforcement review; and as evidence in criminal and administrative prosecutions of EAR violations. LDs are utilized by BIS Export Enforcement to support analysis and investigative functions, as well as the Department of Homeland Security to detain and seize items being exported in violation of EAR requirements.



The BIS Information Technology team works to ensure that the agency's IT systems are secure.

In Fiscal Year 2006, BIS undertook a significant update of its internal LD procedures and provided related training to BIS Special Agents and Licensing Officers. BIS also issued updated guidance to DHS, the Federal Bureau of Investigation, and the Department of Defense investigative organizations for requesting LD support.

In Fiscal Year 2006, BIS issued a total of 1,116 license determinations.

Short Supply Controls

BIS implements the statutorily-mandated controls set forth in the Export Administration Act of 1979, as amended (EAA). The EAA authorizes the President to prohibit or curtail the export of goods "where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand." In addition, BIS administers export controls under the Energy Policy and Conservation Act, the Mineral Leasing Act, the Naval Petroleum Reserves Production Act, the Outer Continental Shelf Lands Act, and the Forest Resources Conservation and Shortage Relief Act, as amended. BIS approved 25 licenses under these provisions for the export of crude oil in Fiscal Year 2006, amounting to 167 million barrels,

to be returned in an equivalent amount of refined product. No licenses were approved for the export of unprocessed timber. No licenses were denied for either crude oil or western red cedar.

Section 14(a)(13) of the EAA requires a report on any short supply monitoring program conducted pursuant to the EAA or Section 812 of the Agricultural Act of 1970. Information from the U.S. Department of Agriculture on its monitoring activities during Fiscal Year 2006 is included in Appendix H of this report.

Special Comprehensive Licenses/Internal Control Program

In an effort to streamline licensing procedures while protecting U.S. national security, BIS revised a number its special programs:

- BIS conducted 18 reviews of company Special Comprehensive Licenses (SCLs) issued to qualified exporters and consignees in place of individual export licenses. Parties to an SCL must have appropriate Internal Control Programs (ICPs) that include procedures and safeguards to ensure that each export and/or reexport meets the terms and conditions of the SCL and is in accordance with applicable provisions of the EAR.
- In addition, BIS conducted five Export Management and Compliance Program (EMCP) reviews of corporate written compliance programs. An EMCP review consists of a comparison of a company's written compliance program procedures and internal controls against EMCP Guidelines as they relate to the company's export and/or reexport transactions.
- BIS also developed ICP guidelines for the commercial night vision and thermal imaging industry. A SCL and ICP "Boot Camp" was developed and presented to eight companies who were interested in the SCL application process and the ICP requirements. One-on-one consultations were held with companies that planned to submit SCL applications.
- Five full day workshops on how to develop an EMCP and manuals were customized and presented to U.S. exporters.

Technical Reviews of Encryption Exports

With the exception of certain encryption commodities and software that require a license to certain government end-users (such as "network infrastructure" products, source code, and products customized or tailored for government end use or to customer specification), commercial encryption products that have met an upfront, 30-day technical review requirement may be exported and reexported without a license to both government and non-government end users outside the designated terrorist-supporting countries either under License Exception ENC "unrestricted" (§740.17(b)(3)) or consistent with the "mass market" encryption (§742.15(b)(2)) provisions of the EAR. Encryption technical reviews address a wide range of information technology (IT) products, including commodities and software for desktop and laptop computers, wireless handheld devices and access points, database and other business software, virtual private networking (VPN), storage area networking (SAN), network protection, and telecommunications network infrastructure equipment.

In Fiscal Year 2006, BIS processed 1,684 individual technical review request applications for more than 2,700 controlled encryption products, components, and source code items. These 1,684 encryption reviews comprised 36 percent of BIS's 4,732 commodity classifications in Fiscal Year 2006. Of the over 2,700 controlled encryption items reviewed during the fiscal year, 281 were in "AT Column 1" of the Country Chart set forth in Supp. 1 to Part 738 of the EAR, self-classifiable products submitted for BIS confirmation of their NLR authorization, 156 were automatic ENC Restricted products (i.e. source code and technology) submitted for confirmation of limited License ENC Restricted authorization, and 2,276 were encryption products and components reviewed by BIS to determine the most appropriate authorization for export (ENC Restricted, ENC Unrestricted, or "mass market"). The reviews determined that 1,988 (87 percent) were either "ENC Unrestricted" or "mass market" encryption commodities and

software eligible for export and reexport without a license to both government and non-government end users in most countries. Only 288 (13 percent) were found to be ENC Restricted products that require licenses to certain government end users.

BIS also approved 1,011 license applications for the export or reexport of “restricted” encryption products (such as high-end routers and other network infrastructure equipment) and technology outside the U.S. and Canada, to non-sanctioned end-users outside Country Group E:1. The overall estimated value of these authorized transactions was nearly \$380 million.

Snap-R

BIS successfully deployed the SNAP replacement software application, referred to as SNAP Redesign (SNAP-R), which significantly improves security and ease of use, supports on-line supporting document submission, search, and review of license and

classification supporting documents and technical specifications, and provides the ability to search application information online.

Goals for Fiscal Year 2007

In Fiscal Year 2007, BIS will work to sustain and advance its efforts to process export license applications and related documents effectively and efficiently, while developing new avenues for exporters to enhance their compliance programs. BIS will continue the export licensing training program by conducting various courses, briefings and workshops related to specific licensing, policy and professional development areas. BIS will further refine its license determination procedures to improve the timeliness of LD completion. Also in Fiscal Year 2007, SNAP-R on-line license supporting documentation will be available to the interagency community for use in reviewing license applications.



Chapter 3: Export Enforcement

Mission

One of the top priorities of the Bureau of Industry and Security (BIS) is the enforcement of both the U.S. dual-use export control laws and regulations and the U.S. antiboycott regulations to encourage compliance, prevent and deter violations, disrupt illicit activities, and bring violators to justice. BIS achieves these important objectives through a law enforcement program focused (1) on parties engaged in exports of sensitive commodities, software and technology to end-users, end-users and destinations of concern, with priority given to violations involving Weapons of Mass Destruction (WMD) proliferation, terrorism and State support of terror, and unauthorized military end-use, and (2) on participation in prohibited foreign boycotts. BIS's Export Enforcement (EE) is an elite law enforcement organization recognized for its expertise, professionalism, integrity, and accomplishments. BIS accomplishes its mission through preventive enforcement activities as well as by identifying and apprehending violators, pursuing appropriate criminal sanctions, and imposing administrative penalties including fines and denials of export privileges.

EE consists of the Office of Export Enforcement (OEE), the Office of Enforcement Analysis (OEA), and the Office of Antiboycott Compliance (OAC). Together with BIS's licensing officers and policy staff, EE employees apply their law enforcement and export control expertise to prevent and deter exports of the most sensitive items to illicit end-users and uses, to embargoed destinations, and to ensure parties to U.S. commercial transactions do not engage in prohibited boycott activities.

In addition to its Washington, D.C. headquarters, BIS maintains enforcement field offices in or near Boston, New York City, Chicago, Miami, Dallas, Houston, Los

Angeles, San Jose, and Washington, DC, and Export Control Officers (ECOs) in five U.S. Embassies and Consulates abroad: Moscow, Beijing, Hong Kong, New Delhi, and Abu Dhabi.

Accomplishments in Fiscal Year 2006

Preventive Enforcement

In Fiscal Year 2006, BIS continued emphasizing its preventive enforcement activity. BIS places the highest value on thwarting potential violations. This activity includes



Assistant Secretary for Export Enforcement Darryl Jackson.

actions such as recommending conditions on or denial of export license applications to address enforcement concerns, detaining shipments suspected of constituting violations of the EAR, issuing Temporary Denial Orders to prevent imminent export violations, adding entities to the various lists that impose licensing restrictions, and preventing exposure of foreign nationals to controlled technology, including recommending denials of visa requests

for visitors suspected of targeting controlled technology. Other types of preventive enforcement activity include issuing warning letters, monitoring compliance with the conditions on particular export licenses, and outreach to educate industry on export controls to ensure compliance.

End-use checks are a valuable preventive enforcement tool to confirm the bona fides of end-users, ensure that targeted commodities will be properly used or have been properly used as authorized, and confirm compliance with license conditions and uncover improper or unauthorized re-exports and diversions. In Fiscal Year 2006, BIS completed 942 end-use checks in 72 different countries. Fifty-one percent of these checks were conducted by Foreign Commercial Service officers, Foreign Service Officers, or BIS Export Control Officers. The remaining checks were conducted by BIS Special Agents during 11 Sentinel trips performed in Fiscal Year 2006. BIS used the results of these negative checks to prevent exports to unsuitable end users and to take enforcement action, ranging from recommending rejection of subsequent license applications involving these entities to referring the results to BIS Special Agents for further investigation.

In certain cases, BIS could not make a recommendation on end-use checks because the U.S. Government was unable to conduct the check or was otherwise unable to verify the existence or authenticity of the bona fides of the transaction. In such situations, BIS considered those entities for potential inclusion on the Unverified List. Based on the results of end-use checks conducted in Fiscal Year 2006, BIS add 17 entities to the BIS Unverified List. Three were added in July 2006, and 14 others were added in October 2006.

On June 5, 2006, BIS issued General Order No. 3 in Part 736 of the EAR, which imposes a license requirement for exports and reexports of all items subject to the EAR to Mayrow General Trading in the United Arab Emirates (UAE) and related parties. BIS and other U.S. Government entities had come into possession of information indicating that U.S.-origin electronics components exported

to Mayrow and related parties had been and were capable of being used in Improvised Explosive Devices (IEDS) used against U.S. and Coalition Forces in Iraq and Afghanistan. The General Order affords BIS the opportunity to review proposed export transactions with Mayrow and related parties to ensure that those transactions are consistent with the security interests of the United States and its armed forces overseas; it also provides a basis for actions to detain and seize items shipped to Mayrow and related parties in violation of the General Order, as well as for criminal and administrative prosecution of parties exporting to Mayrow and related parties in violation of the General Order.

BIS completed a significant number of additional preventive enforcement actions in Fiscal Year 2006, including the issuance of 159 warning letters; 103 detentions, 16 seizures, and 1 forfeiture of items (prevented from being exported in potential violation of the EAR); Temporary Denial Orders against 12 persons, related parties orders against 16 persons; five denials under Section 11(h) of the EAA (which authorizes denial of export privileges of parties convicted of criminal export offenses other than the EAA) against 12 persons; and 362 outreach contacts with industry that directly addressed non-compliant activities.

Significant Dual-Use Investigations⁴

BIS continued to prioritize its enforcement efforts for Fiscal Year 2006 based on the most significant dual-use export enforcement threats facing the United States. BIS focused its efforts and resources on the highest impact investigations and enforcement actions involving those priorities. BIS had considerable success in pursuing such cases in Fiscal Year 2006, including:

WMD Proliferation

- *Nuclear Detonators to Pakistan:* On August 1, 2006, Assistant Secretary of Commerce Darryl W. Jackson denied export privileges for a ten year period to Asher Karni and related parties Pakland PME Corporation and Humayun Khan in connection with their exports

4. A summary of export control cases resulting in convictions and/or administrative penalties in Fiscal Year 2006 is included as Appendix D of this report.



Deputy Assistant Secretary for Export Enforcement Wendy Wysong.

of electrical equipment and components with nuclear weapons applications to Pakistan. In August 2005, Karni, a South African businessman, was sentenced to three years imprisonment after pleading guilty to conspiracy and export violations arising out of OEE's investigation of his unlawful exports to Pakistan of high speed electrical switches and oscilloscopes. Karni had ordered the switches purportedly for a South African hospital for use in medical equipment, but he arranged their onward delivery to Pakland and Khan, a Pakistani businessman. Khan was previously indicted for his role in these crimes and is currently in Pakistan.

Terrorism/State Sponsors of Terror

- *Night Vision Equipment to Hezbollah:* On February 2, 2006, Naji Antoine Abi Khalil was sentenced to two 60-month and one 57-month term of imprisonment, to be served concurrently, and a \$100,000 fine for providing support to a terrorist organization in connection with conspiring to export night vision devices via Greece to the terrorist organization Hezbollah in Lebanon. On April 12, 2006, Khalil's associate, Tomer Grinberg of Tober Group, Inc., a Brooklyn, New York freight forwarder, was sentenced to six months imprisonment and deportation at the conclusion of his prison term for conspiring to make these exports. This case is one of the first BIS cases charging an exporter with

providing material support to a terrorist organization. OEE conducted this investigation as a member of the New York Joint Terrorism Task Force (JTTF).-

Diversions to Military Use:

- *National Security Controlled Electronics Equipment to China:* On January 18, 2006, Ning Wen was sentenced to 60 months imprisonment, two years supervised release, and a \$50,000 fine for conspiracy to export more than \$500,000 worth of controlled electronics components to China. A second defendant, Hailin Lin, was sentenced to 42 months imprisonment and a \$50,000 fine on December 21, 2005. A third defendant, Jian Guo Qu, was sentenced in July 2005, to 46 month imprisonment (later reduced to 22 months based on his cooperation in the Lin prosecution of Wen and Lin).

Other

- *Crime Control Products to China:* On March 22, 2006, John Carrington, the former president of Sirchie Fingerprint Laboratories and a former North Carolina state Senator, was sentenced to 12 months probation and an \$850,000 criminal fine for his role in exporting approximately \$1.2 million worth of crime control equipment to China, controlled due to human rights concerns, via Italy and Hong Kong. In September 2005, Carrington agreed to pay a \$400,000 civil fine related to these offenses.

Antiboycott Activities

During Fiscal Year 2006, nine companies agreed to pay civil penalties totaling \$95,950 to settle allegations they violated the antiboycott provisions of the EAR. Most of the settlements reached during the Fiscal Year involved alleged violations of the prohibition against furnishing information about business relationships with or in Israel, or with companies on boycotting countries' blacklists. Other settlements involved failure to report receipt of requests to engage in restrictive trade practices or boycotts.⁵

5. Additional antiboycott data can be found in Appendix E of this report.

Penalties

BIS investigations in Fiscal Year 2006 resulted in the criminal conviction of 34 individuals and businesses and over \$3 million in criminal fines for export and antiboycott violations, compared to 31 convictions and over \$7.7 million in criminal fines in Fiscal Year 2005. In Fiscal Year 2006, BIS investigations resulted in the completion of 104 administrative cases against individuals and businesses and over \$13 million in administrative penalties, as compared to 74 cases and over \$6.8 million in administrative penalties in Fiscal Year 2005. These penalties include 9 cases and \$95,950 for antiboycott violations, as compared to 5 cases and \$57,000 in Fiscal Year 2005.



Susan Silver, of BIS's Office of Export Enforcement, introduces Ambassador Thomas Pickering as part of the BIS Speakers Series.

Goals for Fiscal Year 2007

In Fiscal Year 2007, BIS will continue to strengthen its enforcement focus on the most significant dual-use and antiboycott violations, refine its performance metrics to ensure that its efforts and resources are directed to the highest-impact cases involving the most significant threats, and increase targeted outreach to key industry sectors and manufacturers of particularly sensitive commodities and to nonparticipants in the export control system.

BIS will continue to ensure that each segment of the exporting community is aware of the antiboycott provisions of the EAR. BIS educates U.S. businesses on how to avoid violating these provisions, particularly their application to the Arab League boycott of Israel. To this end, BIS focuses its outreach and education efforts on industries that are most likely to be adversely impacted by this unsanctioned foreign boycott. BIS will continue to collaborate with other governmental agencies that are seeking to remove this impediment to U.S. trade. In addition, BIS will maintain its increased focus on intentional violations of the antiboycott provisions of the EAR by businesses seeking an unfair competitive advantage.



Chapter 4: Industry Outreach Activities

Mission

Achieving BIS's goal of increasing the efficiency and effectiveness of the export control system requires a true partnership between government and the private sector. U.S. firms must be the first line of defense against the diversion of sensitive items into the wrong hands. To help forge this partnership with industry, BIS conducts an extensive outreach program through which BIS provides timely information to U.S. industry regarding export controls and compliance with the EAR.

Accomplishments in Fiscal Year 2006

BIS engaged industry in Fiscal Year 2006 through domestic seminars and conferences and increased public-private partnerships, international outreach, and other targeted programs.

Seminars and Conferences

In Fiscal Year 2006, BIS reached more than 4,800 people through 52 domestic export control outreach seminars conducted in 19 states. These seminars provided guidance to new and experienced exporters regarding the EAR, changes in export policy, and licensing procedures. These programs included one-day seminars addressing the major elements of the U.S. dual-use export control system and intensive two-day programs that provided a comprehensive presentation of exporter obligations under the EAR. More than 90% of attendees rated the seminars either good or excellent.

BIS also held its 19th annual Update Conference on Export Controls and Policy. Every year, the Update Conference brings together government officials and industry representatives to discuss new U.S. export control poli-

cies, regulations, and procedures. Update 2006, held in Washington, D.C., attracted more than 850 registered attendees, speakers, and members of foreign delegations.

In Fiscal Year 2006, BIS introduced a new program called the Export Control Forum. This one-day seminar was developed to meet the demand for an Update-like



Former Under Secretary David McCormick participates in a radio interview on economic and security issues.

Chapter 4: Industry Outreach Activities

program on the West Coast. More than 260 exporters attended the inaugural conference in southern California in March.

In addition to these seminars and the annual Update Conference, BIS worked with a number of public and private-sector organizations to introduce the mission and services of BIS to audiences in specific business and technology sectors. These partnerships also provide BIS with additional insight into technology and market developments in key sectors of the economy. BIS supported 26 of these programs, which reached more than 1,560 people through formal conference presentations.

BIS supports the Trade Promotion Coordinating Committees (TPCC) as part of its U.S. Export Pavilion and Trade Officer Training Conference. In Fiscal Year 2006, BIS participated in five trade shows, some of which were organized under the TPCC, and plans to increase its outreach to trade show participants in Fiscal Year 2007. BIS also supports the TPCC's week-long Trade Officer's Training Conferences held several times a year in Rosslyn, Virginia. Additionally, BIS representatives spoke at three such conferences, providing an overview of U.S. export controls and describing the numerous BIS services available to exporters and U.S. government trade officers.

BIS also conducted nine international export control outreach seminars. A BIS team conducted five "U.S. Reexport Controls" seminars in Germany and Austria (Munich, Vienna, Hamburg, Dusseldorf, and Frankfurt). About 275 attendees participated in the seminars, which were well-received in all locations. These seminars provided important export control information to companies in other countries that use U.S.-origin parts and components for manufacturing and assembly; companies that use U.S.-origin systems, software, or technology to develop foreign-made products; and companies that reexport U.S.-origin items.

In addition, a BIS team conducted four seminars in the Indian cities of Mumbai, Bangalore, New Delhi, and Hyderabad. These seminars were part of the U.S.–India



DeBorah Jackson of the BIS Office of Exporter Services.

High Technology Cooperation Group (HTCG) and highlighted what has been accomplished to further the liberalization of bilateral trade with India. The seminars also provided Indian industry with information on current and prospective opportunities for U.S.–India high technology trade.

Targeted Outreach

In Fiscal Year 2006, BIS provided targeted outreach on topics of specialized interest. The Deemed Exports and Electronics Division participated in 124 activities to educate participants on the national security interests and regulatory requirements associated with the transfer of sensitive technologies to foreign nationals present in the United States. More than 40 percent of this year's outreach was targeted at the academic research community and national government laboratories.

BIS also conducted public meetings in Washington D.C., Boston, Chicago, Houston, and San Diego to answer questions about the proposed rule clarifying and updating the policy on dual-use exports to China. More than 400 participants attended these meetings.

In addition, BIS increased outreach on the enforcement aspects of deemed export compliance, published new presentation materials on deemed export enforcement and, in September 2006, hosted a seminar at the annual

conference of the American Society for Industrial Security (ASIS), an international trade association of security professionals, on protecting controlled technology and the requirements of Technology Control Plans. BIS conducted 29 deemed export enforcement outreach contacts in Fiscal Year 2006.

During Fiscal Year 2006, BIS conducted regional seminars in three cities on “Best Practices to Comply with the Chemical Weapons Convention and Australia Group Export Controls.” These industry seminars provided an overview of the final Chemical Weapons Convention (CWC) Regulations issued in April 2006, as well as of the relationship between the CWC and Australia Group export controls. BIS also conducted an introductory CWC “Basics” seminar on the fundamentals of preparing a CWC declaration and hosting an inspection.

BIS also continued its outreach to the freight forwarding community in Fiscal Year 2006 by conducting outreach presentations to freight forwarders and national forwarding associations.

Project Guardian

BIS maintains a constructive and cooperative relationship with the business community through outreach programs sponsored by BIS’s Export Enforcement (EE) arm. BIS’s Project Guardian focuses on specific goods and technologies that overseas proliferation networks seek to acquire. BIS contacts U.S. manufacturers and exporters of these goods and technologies to apprise them of the acquisition threat and to solicit cooperation in identifying and responding to suspicious foreign purchase requests. EE conducted 121 Project Guardian outreach contacts in Fiscal Year 2006.

Counseling

BIS regulatory specialists assisted more than 54,000 people in one-on-one counseling sessions through its telephone counseling program at BIS’s Outreach and Educational Services Division in Washington, D.C., and Western Regional Office in California. Through this program, BIS provides guidance on regulations,

policies, and practices and helps to increase compliance with U.S. export control regulations.

BIS’s e-mail notification program provides exporters with information about BIS seminars and training programs. The program continues to grow with more than 9,000 participants signed up to receive monthly e-mails on upcoming BIS outreach events. In addition, exporters may sign up on the BIS Web site, www.bis.doc.gov, to receive e-mail notification of Web site changes, regulations, press releases, and other information relating to the administration of export controls.

BIS has published numerous export control related brochures in print format and, in Fiscal Year 2006, made these publications available on its website in PDF format. Its newest brochure, published in Fiscal Year 2006, targets those new to exporting and is titled “Know the Facts Before You Ship: A Guide to Export Licensing Requirements.”

Advisory Opinions

BIS has established an “Advisory Opinion” process to provide specific, written responses to questions raised by companies. The guidance can include clarifying regulatory requirements, determining if a license is required based on certain end-use, end-user and/or destination considerations, and the likelihood of a specific license request being approved. Once submitted, Advisory Opinions will typically be answered by BIS within 30 calendar days after receipt. BIS posts on the website the results of Advisory Opinions which are deemed to be of broad general interest or may have wide impact upon the business community. In Fiscal Year 2006, BIS posted the results of four Advisory Opinions on its homepage.

Goals for Fiscal Year 2007

In Fiscal Year 2007, BIS plans to continue the important work of outreach to the business community and the general public. Specifically, BIS plans to schedule more than 40 programs at various locations around the country in addition to the annual Update Conference on Export Controls and Policy in

Chapter 4: Industry Outreach Activities

Washington, D.C., and continue targeted outreach in areas such as deemed exports and encryption. Work is already underway on an export control seminar in Beijing as part of BIS's commitment to increasing its international outreach efforts. BIS also plans to conduct approximately 120 deemed export outreach events with national government laboratories, industry, and the academic research community.

BIS also plans to conduct industry outreach on the Additional Protocol to the International Atomic Energy Agency Full-Scope Safeguards Agreement, which was ratified by the Senate earlier this year.

BIS will also continue and expand enforcement outreach under Project Guardian, focusing on specific prohibited foreign attempts to acquire U.S.-origin items; the freight forwarding and industrial security communities; and the renewal of enforcement outreach with senior-level business executives. A principal focus of enforcement outreach will be on individuals and companies that have not previously participated in the U.S. export control system through submitting applications for export licenses for controlled items.



Chapter 5: International Regimes and Treaty Compliance

Mission

BIS's mission includes not only maintaining and strengthening an adaptable and effective U.S. export control and treaty compliance system, but also integrating non-U.S. actors to create a more effective global export control and treaty compliance system. Consequently, BIS works to strengthen multilateral coordination and compliance with multilateral export control regimes and relevant treaties.

BIS plays an important role in the U.S. Government's efforts to develop and refine the control lists and operational guidelines for the four major non-proliferation regimes: the Australia Group (chemical and biological weapons), the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Wassenaar Arrangement (conventional arms and related dual-use items).



Deputy Assistant Secretary for Export Administration Matt Borman.

BIS also administers the industry compliance program for the Chemical Weapons Convention (CWC), which bans the development, production, stockpiling, and use of chemical weapons and provides for an extensive verification regime to ensure adherence to its terms. In addition, BIS works actively with other CWC States Parties and the Technical Secretariat of the Organization for the Prohibition of Chemical Weapons to ensure that the provisions of the CWC are being implemented in a rigorous, analytically sound, and equitable manner by all 180 States Parties to the CWC.

Multilateral Export Control Regimes *Australia Group*

The Australia Group (AG or Group) was formed in 1985 to help stem the proliferation of chemical and biological weapons through harmonized export controls. The AG now includes 39 countries and the European Union.

In Fiscal Year 2006, the AG participants reaffirmed the Group's commitment to assisting countries in meeting their United Nations Security Council Resolution 1,540 obligations to establish effective laws to prevent chemical, nuclear, and biological proliferation. To address concerns regarding distributors and export trade in second-hand equipment, the Group agreed to meet further and to discuss best practice methods. At the 2006 AG Plenary meeting, held June 12–15, 2006, AG participants agreed upon controls for chemical manufacturing equipment made from niobium. Chemical manufacturing equipment made from niobium was identified as a new emerging threat and potential proliferation risk. As part of the AG's ongoing effort to keep its control lists up to date and scientifically relevant, participants also agreed to the addition of several biological agents to the control lists.

Domestically, BIS expanded export and reexport controls by adding a new Commerce Control List entry on certain biological agents and toxins identified by other U.S. Government agencies (e.g. Centers for Disease Control, U.S. Department of Health and Human Services, U.S. Department of Agriculture) as posing a severe threat to human, animal, and plant life. The addition of these export controls complements existing controls on possession, use, and transfer of these items within the United States.

Missile Technology Control Regime

The United States has been a member of the Missile Technology Control Regime (MTCR) since its inception in 1987. The MTCR currently includes 34 member countries that have agreed to coordinate their national export controls to prevent missile proliferation.

During this fiscal year, no MTCR plenaries were held, but instead, MTCR Technical Experts Meetings were held in Berlin, Germany on May 15-19, 2006, and another beginning September 28, 2006 in Copenhagen, Denmark. The Technical Experts Meeting agreed to forward technical changes to missile technology controls, including hydrazine derivatives, thermal batteries, polymeric substances, and gyros to the next Plenary for consideration.

Nuclear Suppliers Group

The Nuclear Suppliers Group (NSG) was formally established in 1992 and now includes 45 member countries.

At the annual plenary meeting in Brasilia, Brazil from May 29 - June 2, 2006, the NSG continued to discuss the India Civil Nuclear Initiative and President Bush's major nuclear nonproliferation initiatives. The India Civil Nuclear Initiative was introduced by the U.S. at the Consultative Group meeting on October 4-5, 2005. The President's nonproliferation initiative includes the control of enrichment and reprocessing (ENR) technology and the requirement for an IAEA-approved Additional Protocol (AP) as a condition of supply for nuclear "Trigger List" items. No agreements were reached on either of these initiatives. They will continue to be the topic of upcoming intercessional meetings.



Edward Ryan of the BIS Office of Administration.

Wassenaar Arrangement

The Wassenaar Arrangement (Wassenaar) is a multilateral arrangement regarding export controls on conventional arms and sensitive dual-use goods and technologies. Wassenaar was founded in 1996 to replace the East-West technology control program under the Coordinating Committee (COCOM) regime that ended in 1994 and now includes 40 Participating States.

Wassenaar was designed to promote transparency, the exchange of views and information, and greater responsibility in transfers of conventional arms and dual-use goods and technologies. Through their national policies, Wassenaar members seek to ensure that transfers of arms and dual-use goods and technologies do not contribute to the development or enhancement of military capabilities that undermine international or regional security and stability. They also seek to ensure that such goods and technologies are not diverted to support such capabilities. Wassenaar does not target any state or group of states. All measures undertaken with respect to Wassenaar are in accordance with national legislation and policies of member countries, and are implemented on the basis of national discretion.

Wassenaar members undertake to maintain effective export controls for the items on the agreed-upon control lists, which are reviewed yearly to respond to technological developments. Wassenaar's specific information-exchange requirements involve semi-annual notifications

of arms transfers, covering eight categories derived from the UN Register of Conventional Arms. Members are also required to report approvals, transfers, and denials of certain controlled dual-use commodities and technologies. Reporting denials helps to bring to the attention of member countries attempts to obtain strategic items that may undermine the objectives of Wassenaar.

During Fiscal Year 2006, there were several accomplishments within Wassenaar reflecting the changing nature of technology and the threat to global security. At the Wassenaar Plenary in Vienna, Austria, in December 2005, Croatia, Estonia, Latvia, Lithuania, Malta, and Slovenia were welcomed to the Plenary for the first time, and South Africa was admitted as the first African State to join the Arrangement. Wassenaar members reiterated that the Arrangement is open, on a global and non-discriminatory basis, to prospective adherents that comply with the agreed-upon criteria and noted that membership applications would continue to be examined on a case-by-case basis. In light of the threat posed by terrorist acquisition of man-portable air defense systems (MANPADS), Wassenaar members welcomed practical steps in implementing Wassenaar Elements for Export Control of MANPADS, such as through destruction of stockpiles of such weapons. Wassenaar members were encouraged to promote the newly agreed-upon Wassenaar Elements on MANPADS to non-Wassenaar States.

The Wassenaar Arrangement continued to keep pace with advances in technology, market trends, and international security developments, including the threat of terrorist acquisition of military and dual-use goods. Wassenaar members agreed to a number of amendments to the control lists, including items of potential interests to terrorists, such as jamming equipment and unmanned air vehicles. Wassenaar members agreed to continue to review other items that could pose a threat if acquired by terrorists. In addition, Wassenaar members agreed to revise controls on computers and agreed to revise the performance measure for calculating computer hardware, software, and technology by replacing “composite theoretical performance” with “adjusted peak performance.” Wassenaar members also agreed to revise controls on electronic equipment, notably silicon

epitaxial equipment. Work will continue during Fiscal Year 2007 on proposals to strengthen the effectiveness of the regime.

Treaty Compliance

Chemical Weapons Convention

The United States ratified the Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons and their Destruction (known as the Chemical Weapons Convention or (CWC)) on April 25, 1997. Thus far, 180 states have become parties to the CWC (States Parties).

The CWC bans the development, production, stockpiling, or use of chemical weapons by its signatories and provides for an extensive verification regime to ensure compliance. Its verification functions are the responsibility of the Organization for the Prohibition of Chemical Weapons (OPCW). Approximately 200 inspectors, drawn from the States Parties, inspect military and industrial chemical facilities throughout the world to verify compliance with the CWC’s nonproliferation provisions.

The CWC requires certain commercial chemical facilities to submit data declarations that include information on chemical production, processing, and consumption activities. In the United States, BIS compiles this information and forwards it to the OPCW Technical Secretariat (TS), which is charged with carrying out verification functions under the CWC. As of October 2006, the OPCW TS had conducted 1,099 routine inspections at commercial and other related sites in 76 countries. Since the CWC’s entry into force, the United States has hosted approximately one-third of all CWC inspections.

During Fiscal Year 2006, BIS received and verified 774 declarations and reports from 599 plant sites. Of this number, 735 were forwarded to the OPCW TS, 19 were maintained for internal information purposes, and 20 were returned without action. BIS also hosted ten on-site inspections of U.S. facilities engaged in chemical-related activities. In addition, BIS conducted one requested site assistance visit (SAV) to U.S. industry in preparation for OPCW TS inspections, and provided advice on methods

for identifying and protecting confidential business and national security information.

BIS published the CWC Regulations (CWCR) as a final rule, which clarified the scope of the regulations, added a provision on compliance reviews, added declaration amendment requirements and due dates, and updated the CWCR to reflect OPCW decisions. BIS also published a proposed rule that will establish a new declaration requirement for Unscheduled Discrete Organic Chemical facilities that are declared and inspectable during the current year, but which anticipate will only be declared in the next calendar year. The proposed rule also will establish new recordkeeping requirements. BIS conducted four outreach seminars to familiarize industry with the final CWCR.

During Fiscal Year 2006, BIS worked with the Department of State and the Technical Secretariat of the OPCW to jointly conduct 12 Technical Assistance Visits (TAVs) to States Parties that have not yet met their obligations to fully implement the provisions of Article VII of the CWC. The Implementation Assistance Programme (IAP), developed by BIS and the Government of Romania, was the primary tool used to assist States Parties and it was provided in both electronic and hard-copy formats. The IAP has been distributed to all States Parties and presented to 12 governments of States Parties during TAVs in South America, Asia, and Africa.

Finally, the CWC's tenth Conference of States Parties adopted a decision to increase uniformity in the submission of declarations for Schedule 1 chemicals that are produced in captive use situations.

U.S. Additional Protocol to the IAEA Safeguards Agreement

The U.S. Government signed the Additional Protocol to the U.S.-IAEA Safeguards Agreement in 1998. The Additional Protocol enhances the IAEA's capabilities to detect proliferation activities by expanding state declaration and inspection requirements to the entire nuclear fuel-cycle. The Senate ratified the U.S. Additional Protocol on March 31, 2004. Legislation necessary to implement the Additional Protocol is pending in Congress.

Once implementing legislation is in place, BIS anticipates being designated the lead agency for all subject commercial activities and locations not licensed by the Nuclear Regulatory Commission (NRC) or an NRC Agreement State (i.e., equipment manufacturing, public and private research and development, imports of specially-designed equipment, and hard-rock uranium mines). In addition to collecting declarations from U.S. industry, BIS will operate an Additional Protocol Reporting System (APRS) to process BIS and NRC declarations and aggregate all agency information into a U.S. national declaration for transmission to the IAEA. BIS has developed draft regulations, completed development of a beta-version of the APRS, and begun testing declaration forms (including those subject to NRC regulations) with industry.

Goals for Fiscal Year 2007

Multilateral Export Control Regimes

In Fiscal Year 2007, BIS will work to expand outreach activities, combat terrorism through more effective awareness of and clarity in the definition of controls of chemicals and biological items, and continue discussing means to control brokering and other intermediary agent activities in the AG. BIS will continue to participate in the U.S. Government's work with international regime partners to strengthen regional nonproliferation efforts and outreach to non-MTCR countries and regional international organizations in order to promote broad adherence to missile nonproliferation objectives in the MTCR. In the year ahead, BIS plans to participate in the U.S. Government's work with international regime partners in the implementation of President Bush's major nuclear nonproliferation initiatives and to develop new standards for exporting sensitive items to non-member countries and countries that do not adhere to IAEA obligations in the NSG.

BIS will work with other U.S. Government agencies to strengthen the Wassenaar Arrangement to better address the challenges posed by international terrorism and non-state actors.

In the area of terrorism, BIS will continue to support adoption of a strong anti-terrorism initiative for Was-

senaar. It will continue to seek to achieve concrete agreements in Fiscal Year 2007.

In the area of denial consultations, BIS will continue to seek a denial consultation mechanism in which member countries would consult with each other before one member could approve a transfer that another had denied out of security concerns. Such information sharing would promote the broad objectives of Wassenaar through increased transparency and responsibility among member nations. BIS will also continue to support proposals to increase transparency and information-sharing, notably requiring individual reporting of items on Wassenaar's Very Sensitive Lists to non-member countries.

In Fiscal Year 2007, BIS will continue to work with other U.S. Government agencies to implement the conventional military end-use control agreed to at the Wassenaar Plenary in December 2003.

Treaty Compliance

In Fiscal Year 2007, BIS plans to distribute the CWC IAP in French and Spanish formats at the eleventh Conference of States Parties (CSP). BIS will complete its Global Industry Compliance Program (GICP) for distribution at the CSP and all regional conferences during the year. BIS will amend the CWCR to establish a new declaration requirement for Unscheduled Discrete Organic Chemical facilities and new recordkeeping requirements. BIS plans to conduct sequential inspections at U.S. chemical facilities and to host an inspection involving sampling and analysis for undeclared CWC-scheduled chemicals.

Once legislation to implement the U.S. Additional Protocol is enacted, BIS will be ready to promulgate implementing regulations and work with relevant U.S. Government agencies in order to finalize the roles and responsibilities of lead agencies.



Chapter 6: International Cooperation Programs

Mission

The Bureau of Industry and Security (BIS) works cooperatively with nations in Asia, the Baltic Republics, Central Europe, Eurasia, and other areas where there is a need to develop or strengthen dual-use export controls to prevent the spread of weapons of mass destruction and their means of delivery. The goal is for each nation to develop a dual-use export control system that is on par with international standards. By promoting the development of effective national export control systems, BIS not only addresses issues of proliferation concern and terrorism, but also helps to bring about a more secure trade environment that takes into account market realities and the impact of technological development. BIS meets these objectives through a combination of bilateral exchanges, multilateral conferences, and international policy initiatives.

Accomplishments In Fiscal Year 2006

Nonproliferation and Export Control Cooperation

As an implementing agency for the Department of State-funded interagency Export Control and Related Border Security (EXBS) Program, BIS managed or participated in 68 technical exchanges, export control meetings or conferences with 28 countries during Fiscal Year 2006. Each activity focused on one or more of the five critical components of an effective national export control system: legal and regulatory framework, licensing procedures and practices, enforcement, industry-government relations, and program administration.

During Fiscal Year 2006, BIS helped cooperating countries address 40 deficiencies identified in prior assessments of their domestic export control systems. The

activities undertaken by BIS ranged from facilitating the development of draft laws and regulations to providing foreign companies with resources necessary to adopt effective internal compliance programs. In Fiscal Year 2006, BIS conducted cooperative export control technical workshops with government and private sector representatives in Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Bulgaria, Canada, China, Croatia, the Czech Republic, Georgia, Jordan, Kyrgyzstan, Malaysia, Mexico, Moldova, Pakistan, Romania, Russia, Serbia-Montenegro, Slovakia, Slovenia, Switzerland, Tajikistan, Thailand, Turkey, Ukraine, Vietnam, and Yemen. These programs are described further below.

Enforcement Workshops

Two Export Control Enforcement Workshops were conducted with Thailand and Russia in Washington, D.C. In addition, administrative enforcement export control preparatory conferences were held in Bulgaria and the Czech Republic. These enforcement workshops, in which law enforcement officers generally played significant roles, further enhance the ability of foreign officials to establish appropriate procedures and legal frameworks needed to prevent unlawful diversions of dual-use items to proliferation or terrorist end-uses.

Industry-Government Relations Forums

Four Industry-Government Executive Forums were held in Malaysia, Bosnia-Herzegovina, Slovakia, and Serbia-Montenegro. Such workshops provide the opportunity to work directly with private sector entities in such countries, many of which are generally unfamiliar with export licensing and enforcement processes.

Internal Control Program Activities

The Internal Control Program (ICP) software package, created in 1998, plays an essential role in BIS's export

Chapter 6: International Cooperation Programs

control and nonproliferation mission. The ICP provides companies with self-paced training, searchable databases, and templates for internal procedures that assist them in complying with their respective national export control systems. The ICP tool is widely used in countries where there is a need for exporters to be further trained on compliance with the applicable export control procedures. As part of the ICP training program, BIS translates the ICP software into the country's language, tests the software in the country's industries, provides instructor training, and sponsors basic ICP workshops. The basic workshops are followed by technical exchanges focusing on specialized product classification.

In Fiscal Year 2006, BIS conducted 13 ICP-related activities for industry in Azerbaijan, Romania, Slovenia, Turkey, Russia and Ukraine. The overall goal of the ICP is to foster a country-specific capability to train industry and to instill a corporate mentality of compliance with the country's laws.

Legal Technical Workshops

Three Legal Technical Forums were held: one with Pakistan in London, United Kingdom, and two in Washington, D.C., with Albania, and Kyrgyzstan. Legal technical forums seek to provide the basis for the development of a sufficient legal and regulatory framework to maintain an effective dual-use export control system.

Licensing Procedures and Practices Workshops

Eight Licensing Procedures and Practices Workshops were held. Two were held abroad, with Serbia-Montenegro in Belgrade and Kyrgyzstan in Bishkek. In Washington, D.C., exchanges were conducted with Azerbaijan, Jordan, Serbia, Croatia, Bosnia-Herzegovina, and Thailand. These workshops provided participants with practical skills necessary to implement a transparent and efficient export licensing mechanism.

National Control List Workshops

Five National Control List Workshops were held in Fiscal Year 2006. Three were held abroad, in Armenia, Kyrgyzstan, and Pakistan. Two were held in Washington, D.C.,



Secretary of Commerce Carlos Gutierrez congratulates Assistant Secretary Christopher Padilla immediately after Mr. Padilla's swearing-in as Mr. Padilla's father looks on.

with the Slovak Republic and Tajikistan. Such workshops offered the opportunity to further identify the benefits of the development of clear, manageable national control lists as key components of effective dual-use export control systems.

Product Identification Tool

The Product Identification Tool (PIT), developed in Fiscal Year 2003 to combat proliferation of weapons of mass destruction (WMD), provides computer-based self-paced training and case studies on screening shipments at the border. Use of the PIT can significantly enhance cooperation between licensing and enforcement officials in intercepting unlawful traffic of WMD-related items. The PIT has an extensive database of controlled items, including photographs that allow officials in the field to match items to information contained in export control documents.

During Fiscal Year 2006, BIS conducted one PIT program in Moldova, one in Romania, two in Kyrgyzstan, and fourteen PIT deployments in Russia.

Security and Prosperity Partnership of North America

President Bush launched the Security and Prosperity Partnership of North America (SPP) in March 2005. Among the objectives identified by the President under

SPP is to enhance the compatibility among national and international export control systems so that North American countries are not used to divert sensitive American, Canadian or Mexican goods or technologies to countries or end-users engaged in proliferation or terrorist-related activities. As the lead U.S. agency responsible for implementing this objective, BIS has established formal mechanisms for ongoing dialogue with Mexico and Canada, engaged in detailed discussions regarding best practices, and sought ways to increase compatibility among North America's export control systems. BIS has also worked with Canada to enhance the export control compliance outreach efforts of the U.S. and Canada.

BIS met with Canadian export control officials in December 2005, March 2006, and September 2006 to continue the dialogue on dual-use export issues as well as the development of a U.S./Canada export control compatibility matrix. BIS held a technical exchange with Mexican officials in June 2006, to discuss the key elements of an effective export control system and identify strategies and mechanisms for achieving SPP export control goals.

Multilateral Events

BIS organized the Central Asia and Caucasus Regional Forum on Export Controls in Tbilisi, Georgia, in May. BIS also participated in the Global Transshipment Conference in Bangkok, Thailand and the Asia Pacific Economic Cooperation Forum (APEC) Export Control Conference in Hawaii.

Goals For Fiscal Year 2007

In Fiscal Year 2007, BIS will continue to conduct technical exchanges with foreign countries under the EXBS program, further develop the SPP and pursue other initiatives to expand and enhance the global dual-use export control and treaty compliance system. During Fiscal Year 2007, BIS plans to conduct 61 technical exchanges and expects to verify remediation of approximately 40 deficiencies in cooperating countries' national export control systems. BIS will also implement a restructuring of its role in EXBS to better focus its resources on providing expert advice in support of EXBS programs.



Chapter 7: U.S. Defense Industrial Base Programs and Advocacy Activities

Mission

BIS's mission includes supporting continued U.S. technology leadership in industries that are essential to U.S. national security. BIS seeks to fulfill this mission by securing timely delivery of products for national defense, emergency preparedness, and critical infrastructure programs; working with U.S. industry and interagency partners to support the sale of U.S. defense products overseas; reviewing foreign investments in the United States with security implications; and implementing programs and conducting critical technology and industrial base assessments to help ensure that the U.S. defense industrial base has the capacity and capability to meet current and future national security, economic security, and homeland security requirements.

Accomplishments in Fiscal Year 2006

Administering the Defense Priorities and Allocations System

BIS's administration of the Defense Priorities and Allocations System (DPAS) continues to play an important role in supporting the deployment of U.S. and allied forces in Iraq and Afghanistan, in meeting critical national defense and homeland security requirements, and in facilitating recovery from natural disasters. In Fiscal Year 2006, and in cooperation with the Department of Defense (DOD), BIS continued its support of American and coalition troops



Director of the Office of Strategic Industries and Economic Security, Dan Hill.

in Iraq and Afghanistan by expediting the delivery of special ballistic material to produce lightweight body armor. In addition, in cooperation with the Department of Homeland Security (DHS), BIS expedited the delivery of equipment to support emergency preparedness and critical infrastructure protection requirements. BIS also served on the Defense Industrial Base Government Coordinating Council, co-chaired by the DOD and DHS, and established to enhance the protection of the nation's defense industrial base critical infrastructure.

In July 2006, BIS amended the DPAS regulation to include a list of the homeland security-related programs approved for priorities and allocations support. In September 2006, BIS amended the DPAS regulation to provide additional guidance on how persons in Canada and other foreign nations may obtain assistance to procure items in the United States,

and to provide information on how persons in the United States may request assistance to obtain items supporting the DOD programs from companies in Italy, the Netherlands, Sweden, and the United Kingdom.

Supporting the U.S. Defense Industry's International Competitiveness

In Fiscal Year 2006, BIS successfully assisted U.S. companies in obtaining contracts to supply foreign governments with defense articles worth approximately \$4.4 billion. These sales help maintain the U.S. defense industrial and technological base and preserve employment in high-technology industries. BIS also worked closely with the Department of Commerce's global network of commercial offices in the United States and around the world to identify defense trade opportunities for U.S. industry, to support U.S. defense trade exhibitions overseas, and to provide export counseling to U.S. industry exploring emerging market opportunities.

In addition, BIS continued to administer the Department of Commerce's NATO Security Investment Program (NSIP), a certification requirement for U.S. companies interested in competing to supply goods and services in NSIP-funded procurements. In Fiscal Year 2006, BIS certified 456 U.S. firms that were interested in participating in NATO procurement competitions totaling more than \$1 billion annually.

Monitoring the Strength of the U.S. Defense Industrial and Technological Base

In 2006, BIS completed the following two industrial base assessments:

National Security Assessment of the U.S. Cartridge and Propellant Actuated Device (CAD/PAD) Industry, conducted for the U.S. Navy. It recommended the Navy take specific actions in the future to ensure the continued ability of the industry to support defense requirements.

Defense Industrial Base Assessment of the U.S. Imaging and Sensors Industry, conducted in coordination with the U.S. Army. It found that while the industry as a whole

was profitable and expanding in defense and commercial markets, the U.S. share of the global export market was flat and declining.

BIS also completed its tenth congressionally mandated report on the impact of offsets in defense trade, covering data for 1993-2004. Offsets are mandatory compensation required by foreign governments when purchasing weapons systems and services. The BIS report detailed the impact of offsets on U.S. defense preparedness, industrial competitiveness, employment, and trade. The report noted that offset demands continue to rise worldwide, with Europe leading in increased demand.

In addition to its annual offset report to Congress, BIS participates in an interagency group, established in 2005 under the leadership of the DOD, which is tasked with consulting with foreign nations on limiting the adverse effects of offsets on the United States. The interagency group met with defense contractors, labor unions, and trade associations to gather their input on offsets in defense trade and upcoming consultations. An interagency group also met with representatives from eleven countries and the European Union.

BIS's defense industrial base responsibilities extend to the evaluation of foreign investments in U.S. industries through participation in the Committee on Foreign Investment in the United States (CFIUS) and sale of excess defense articles. BIS, in coordination with the Department of Commerce's International Trade Administration, reviewed 78 proposed foreign acquisitions submitted to CFIUS to ensure that they did not threaten U.S. national security. These acquisitions resulted in some \$135.5 billion of foreign investments in the United States. BIS also reviewed 72 proposed transfers of excess defense equipment to foreign governments through the DOD's Excess Defense Articles program and provided the DOD with determinations as to whether these transfers would interfere with ongoing sales or marketing activities of U.S. industry.

Creation of the Office of Technology Evaluation

In Fiscal Year 2006, BIS created a new office, the Office of Technology Evaluation (OTE) to help gauge the

effectiveness of the dual-use export control system by conducting cumulation effect analysis of key technologies and end-users, auditing export license transactions for accuracy, determining the economic impact of obtaining a license, and evaluating how controls are impacting the competitiveness of key U.S. technologies. The results of these assessments will help inform BIS of corrective measures to enhance its administration of export controls.

Goals for Fiscal Year 2007

Building on Fiscal Year 2006's accomplishments, BIS will continue to partner with industry and other U.S. Government agencies to support the ability of the U.S. defense industrial and technological base to meet current and future national security requirements.

BIS will continue to work closely with U.S. industry and interagency partners, under the authority of the DPAS program, to support the production and delivery of industrial resources needed to meet national defense and homeland security requirements.

BIS will work with the DOD and DHS through the Defense Industrial Base Government Coordinating Council to enhance the protection of our nation's critical infrastructure and key resources.

BIS will also continue its efforts with U.S. industry and interagency partners to support the sale of U.S. defense products overseas. In addition, BIS plans to work closely

with NATO procurement agencies, the U.S. Mission to NATO, and U.S. Embassy staff to facilitate the dissemination of business opportunities for U.S. firms. Finally, BIS also will support the DOD in negotiating bilateral Security of Supply agreements.

BIS will conduct three new assessments in 2007. In partnership with the Defense Science Board Task Force on Space, BIS will conduct a survey of the health and competitiveness of the space industry. In coordination with the DOD and other federal agencies, BIS also plans to conduct an industrial base assessment on the U.S. integrated circuit design and manufacturing capability, assessing the status and health of remaining U.S. design and manufacturing capabilities for defense critical and essential circuit applications. Finally, BIS plans to evaluate the health and competitiveness of U.S. industry engaged in developing critical semiconductor manufacturing equipment technology, including assessing the global availability of state-of-the-art equipment.

BIS has already begun work on its eleventh report on the impact of offsets in defense trade to the Congress. With the completion of this report, BIS will have collected and analyzed data on offset agreements and transactions from 1993 through 2005. In addition, the interagency group will complete its report on the consultations held with the U.S.'s trading partners throughout Fiscal Year 2006 and deliver a final report to Congress on the outcome.



Appendix A: Administration and Department of Commerce Strategic Goals, BIS Mission Statement and Guiding Principles of the Bureau of Industry and Security

Administration Strategic Goals and Objectives:

Defeat the Danger to our Nation that Lies at the Crossroads of Radicalism and Technology by Denying our Enemies the Means to Acquire Weapons of Mass Destruction

Support America's Innovation Economy

Commerce Department Strategic Goals / Objectives:

1. Provide Information and Tools to Maximize U.S. Competitiveness and Enable Economic Growth for American Industries, Workers, and Consumers.

1.2 Advance Responsible Economic Growth and Trade While Protecting American Security.

Management Integration Goal: (confirm positioning of this point and, if needed, use of numbering)
Achieve Organizational and Management Excellence

Bureau of Industry and Security Mission:

Advance U.S. National Security, Foreign Policy, and Economic Objectives by Ensuring an Effective Export Control and Treaty Compliance System and Promoting Continued U.S. Strategic Technology Leadership

Key Bureau Priorities:

1. Maintain and Strengthen an Adaptable and Effective U. S. Export Control and Treaty Compliance System
2. Integrate non-U.S. Actors to Create a More Effective Global Export Control and Treaty Compliance System
3. Eliminate Illicit Export Activity Outside the Global Export Control and Treaty Compliance System
4. Ensure Continued U.S. Technology Leadership in Industries that are Essential to National Security

Guiding Principles of the Bureau of Industry and Security:

This statement of principles represents the guiding philosophy of the Commerce Department's Bureau of Industry and Security in approaching its activities and fulfilling its responsibilities. This statement is not intended to dictate any particular regulatory action or enforcement action.

- **The Bureau's paramount concern is the security of the United States.** The Bureau's mission is to protect the security of the United States, which includes its national security, economic security, cyber security, and homeland security.
 - The Bureau's credibility—within government, with industry, and with the American people—depends upon its fidelity to this principle.
 - For example, in the area of dual-use export controls, the Bureau will vigorously administer and enforce such controls to stem the proliferation of weapons of mass destruction and the means of delivering them, to halt the spread of weapons to terrorists or countries of concern, and to further important U.S. foreign policy objectives. Where there is credible evidence suggesting that the export of a dual-use item threatens U.S. security, the Bureau must act to combat that threat.
- **Protecting U.S. security includes not only supporting U.S. national defense, but also ensuring the health of the U.S. economy and the competitiveness of U.S. industry.**
 - The Bureau seeks to promote a strong and vibrant defense industrial base that can develop and provide technologies that will enable the United States to maintain its military superiority.
 - The Bureau must take great care to ensure that its regulations do not impose unreasonable restrictions on legitimate international commercial activity that is necessary for the health of U.S. industry. In protecting U.S. security, the Bureau must avoid actions

that compromise the international competitiveness of U.S. industry without any appreciable national security benefits.

- **The Bureau strives to work in partnership with the private sector.** The Bureau will seek to fulfill its mission, where possible, through public-private partnerships and market-based solutions.
 - U.S. security cannot be achieved without the active cooperation of the private sector, which today controls a greater share of critical U.S. resources than in the past. At the same time, the health of U.S. industry is dependent on U.S. security—of our borders, our critical infrastructures, and our computer networks.
 - The symbiotic relationship between industry and security should be reflected in the formulation, application, and enforcement of Bureau rules and policies.
- **The Bureau's activities and regulations need to be able to adapt to changing global conditions and challenges.** The political, economic, technological, and security environment that exists today is substantially different than that of only a decade ago. Bureau activities and regulations can only be justified, and should only be maintained, to the extent that they reflect current global realities. Laws, regulations, or practices that do not take into account these realities—and that do not have sufficient flexibility to allow for adaptation in response to future changes—ultimately harm national security by imposing costs and burdens on U.S. industry without any corresponding benefit to U.S. security.
 - In the area of exports, these significant geopolitical changes suggest that the U.S. control regime that in the past was primarily list-based must shift to a mix of list-based controls and controls that target specific end-uses and end-users of concern.
 - The Bureau also should be creative in thinking about how new technologies can be utilized in designing better export controls and enforcing controls more effectively.

Appendix A: Mission Statement and Guiding Principles of the Bureau of Industry and Security

- **The Bureau’s rules, policies, and decisions should be stated clearly, applied consistently, and followed faithfully.** The Bureau’s rules, policies, and decisions should be transparent and clearly stated. Once promulgated, Bureau rules and policies should be applied consistently, and Bureau action should be guided by precedent.
 - Uncertainty, and the delay it engenders, constitutes a needless transaction cost on U.S. companies and citizens, hampering their ability to compete effectively. Voluntary compliance with Bureau rules and regulations should be encouraged and, to the extent appropriate, rewarded.
 - These precepts are particularly important with respect to the application and enforcement of export controls. An effective export control regime necessarily depends upon the private sector clearly understanding and seeking to implement Bureau rules and policies voluntarily.
- **Decision making should be fact-based, analytically sound, and consistent with governing laws and regulations.** Bureau decisions should be made after careful review of all available and relevant facts and without any philosophical predisposition.
 - A “reasonable person” standard should be applied to all decisions: How would a “reasonable person” decide this issue? The Bureau’s mission does not lend itself to “ideological” decision making—especially when it comes to its licensing and enforcement functions.
 - It is inappropriate to recommend outcomes based on an assumption that a position will be reviewed and “pared back” by another party—whether it be another office in the Bureau or another agency of the U.S. Government. Such an approach violates the public’s trust, undermines the Bureau’s credibility, and imposes substantial costs in terms of wasted time and effort.
- **The Bureau strives to work cooperatively with other parts of the U.S. Government and with state and local governments.**
 - The Bureau shall seek to collaborate in a collegial and effective manner with other agencies and departments of the U.S. Government, including the National Security Council, the Department of Homeland Security, the State Department, the Defense Department, the Energy Department, and the intelligence community.
 - The Bureau shall consult with its oversight committees and other appropriate Members of Congress and congressional staff on matters of mutual interest.
 - The Bureau shall seek to enhance its relationships with state and local government officials and first responders to national emergencies.
- **International cooperation is critical to the Bureau’s activities.** Fulfilling the Bureau’s mission of promoting security depends heavily upon international cooperation with our principal trading partners and other countries of strategic importance, such as major transshipment hubs. Whether seeking to control the spread of dangerous goods and technologies, protect critical infrastructures, or ensure the existence of a strong defense industrial base, international cooperation is critical.
 - With regard to export control laws in particular, effective enforcement is greatly enhanced by both international cooperation and an effort to harmonize the substance of U.S. laws with those of our principal trading partners.
 - International cooperation, however, does not mean settling on the “lowest common denominator.” Where consensus cannot be broadly obtained, the Bureau will not abandon its principles, but should seek to achieve its goals through other means, including cooperation among smaller groups of like-minded partners.

Nothing contained herein shall create any rights or benefits, substantive or procedural, enforceable by any party against BIS, its officers and employees, or any other person.



Appendix B: Regulatory Changes in Fiscal Year 2006

BIS published 28 Federal Register notices affecting the Export Administration Regulations. Those notices included the following rules.

Deemed Exports

On May 22, 2006, BIS announced the establishment of the Deemed Export Advisory Committee (DEAC), created to review and provide recommendations to the Department of Commerce on deemed export policy. On May 31, 2006, BIS withdrew an earlier Advanced Notice of Proposed Rulemaking regarding deemed exports.

China

On July 6, 2006, BIS solicited public comments on a proposed rule addressing various aspects of China policy. The rule proposed a new authorization for Validated End-Users; a military end-use restriction for certain items; and expanded support documentation requirements. BIS will take public comments into consideration when preparing a final action.

Libya

On November 16, 2005, BIS established a new license exception, License Exception USPL, for the export or reexport to U.S. persons in Libya of certain items controlled for anti-terrorism reasons only on the Commerce Control List. On August 31, 2006, BIS published a rule implementing the U.S. Government's rescission of Libya's designation as a state sponsor of terrorism. Specifically, the rule amended the Export Administration Regulations by removing Libya from the list of terrorist supporting countries in Country Group E:1 and by making other conforming amendments and related revisions. This rule also eliminated License Exception USPL.

Cuba

On May 26, 2006, BIS clarified that certain personal articles are exempt from the 44-pound weight limit on personal baggage authorized for travelers to Cuba under Licenses Exception Baggage (BAG).

NATO

On November 7, 2005, BIS amended the Export Administration Regulations to provide consistent treatment to all North Atlantic Treaty Organization (NATO) member states with respect to national security-based license requirements, national security licensing policy, availability of certain license exceptions, and certain in-transit transactions.

General Order

On June 5, 2006, BIS issued a General Order imposing a license requirement for exports and reexports of all items subject to the Export Administration Regulations where the transaction involves Mayrow General Trading and certain related entities. An amendment to the General Order, published on September 6, 2006, named additional related entities.

Computers

On April 24, 2006 BIS implemented the Wassenaar Arrangement's December 2005 agreement to revise the formula for calculating computer performance from Composite Theoretical Performance (CTP) measured in Millions of Theoretical Operations Per Second (MTOPS) to Adjusted Peak Performance (APP) measured in Weighted TeraFLOPS (WT).

Wassenaar Arrangement

On September 7, 2006, BIS published a rule revising certain CCL entries for national security reasons. Categories 1, 2, 3, 5 Part I (telecommunications), 5 Part II (information security), 6, 8, and 9 of the CCL were changed to conform with changes in the List of Dual-Use Goods and Technologies, which is agreed upon and maintained by governments participating in the Wassenaar Arrangement. The rule also added Croatia, Estonia, Latvia, Lithuania, South Africa, and Malta as member states.

Missile Technology Control Regime

In order to reflect changes to the Missile Technology Control Regime (MTCR) Annex that were agreed to at the September 2005 MTCR plenary in Madrid, Spain, BIS published a rule on July 31, 2006 that amended the CCL and made one additional missile technology-controlled item eligible for certain license exceptions.

Chemical and Biological Weapons

On June 12, 2006, BIS implemented unilateral chemical and biological controls on certain biological agents and toxins. This rule added to the Commerce Control List agents and toxins determined by the Centers for Disease Control and the Animal and Plant Health Inspection Service to have the potential to pose a severe threat to human, animal, and plant life, as well as certain sectors of the U.S. economy.

Administrative and Procedural Revisions

Throughout Fiscal Year 2006, BIS published several rules making administrative and procedural revisions, as well as technical corrections, to the Export Administration Regulations, including revisions to appeal procedures, support documentation requirements, and civil penalties.



Appendix C: Bureau of Industry and Security Organization Structure and Administrative Information

Improved Organizational Performance Management

In Fiscal Year 2006, BIS undertook a review of its Government Performance and Results Act (GPRA) performance measures. The result of this review was a complete revision of the BIS GPRA Fiscal Year 2006 performance measures. BIS also initiated an internal performance "Game Plan" incorporating external GPRA performance metrics and internal milestones into a comprehensive bureau-wide performance plan. The monthly performance report, based on the "Game Plan," is reviewed by BIS senior staff, focusing on both "success stories" and those metrics requiring "additional attention."

In Fiscal Years 2004 and 2005, BIS was evaluated by the Office of Management and Budget (OMB) using OMB's Performance and Assessment Rating Tool (PART). PART assessments are designed to link organizational performance to budget decisions and provide a basis for making recommendations to improve program results. In Fiscal Year 2006, BIS has continued working to meet the OMB PART recommendations. Additionally, in Fiscal Year 2006, BIS has completed the PART Updates, which are available on the website, www.ExpectMore.gov

President's Management Agenda (PMA)

BIS also has supported the President's Management Agenda (PMA), particularly Strategic Management of Human Capital, Budget and Performance Integration, and Electronic Government (E-Gov).

For example, in the area of Strategic Management of Human Capital, BIS launched the Office of Personnel Management (OPM) Organizational Assessment Survey as a follow-up to the 2005 survey to monitor progress by obtaining employees' current perceptions of the organization and workplace. As a result of the BIS Organizational Development Initiative a voluntary Employee Advisory Council (EAC) was established by BIS employees. The EAC will provide a forum for BIS employees to give feedback to leadership. Another significant human capital accomplishment for BIS this year was the effort to continue with the development of a comprehensive training program for BIS personnel that will assist with closing skill gaps. Sample Individual Development Plans (IDPs) for BIS core occupations were developed and posted to the BIS intranet site. These IDPs will serve as templates for BIS supervisors and employees to develop personal IDPs.

For budget and performance integration, BIS has continued to develop performance based budgets based on OMB guidance. BIS budget submissions continue to be directly tied to the Bureau's performance goals and measures.

As stated in the OMB PART findings, "Budget requests are integrated with performance goals and describe the anticipated effects of resource requirements on performance."

For the E-Gov initiative, BIS posted an E-Commerce section on its Web site, completed certification and accreditation on all BIS operational information technology systems, upgraded Simplified Network Application Process (SNAP) hardware to improve reliability, replaced

dial-up connections to Export Control Automated Support System (ECASS) with secure encrypted lines, completed an initial pilot to provide Web interface to ECASS for licensing officers, launched projects for upgrading existing ECASS, created capability to download anti-boycott reporting forms from the BIS Web site, upgraded existing SNAP interface to exporters, defined a concept of operations for an upgraded ECASS that will support a streamlined licensing-decision process, and deployed new software and hardware platforms for the System for Tracking Export License Applications.

BIS also supports the Competitive Sourcing and Improved Financial Performance Initiatives. Annually, BIS performs a top-down review of all its positions and functions annually in accordance with the Federal Activities Inventory Report (FAIR) Act. Due to the fact that BIS is a small organization with two primary functions, licensing and enforcement, that are inherently governmental, there is not much flexibility for outsourcing.

Regarding BIS's financial performance, OMB stated in the Fiscal Year 2005 PART, "Program funds are administered efficiently and in accordance with intended purposes and planned schedules." The PART also noted the following: "The financial management system used to provide BIS's accounting and financial information meets statutory requirements. Financial information is provided both accurately and timely. Financial planning and performance management support day-to-day operations, and program resources are focused to meet performance goals including licensing processing times, publishing regulations, and outreach to exporters to meet the needs of license applicants."

Cooperation with Auditing Agencies and Responses to Requests from the Public and the Courts

Auditing Agencies

BIS continues to work with the Government Accountability Office (GAO) and the Office of Inspector General (OIG) on their studies of BIS programs and control systems, as well as to address all audit findings and recom-

mendations. During Fiscal Year 2006, BIS submitted periodic reports to the office of the Chief Financial Officer and Assistant Secretary for Administration on the status of BIS corrective actions relating to all open GAO and OIG recommendations. BIS management also monitored the progress of corrective actions undertaken on the basis of these reports.

Six GAO studies addressing BIS programs and activities were completed in Fiscal Year 2006, including (1) Review on the Oversight and Accountability of the Oil for Food Program; (2) Dual-Use Export Controls in the Post 9/11 Environment; (3) Review of the Proliferation Security Initiative; (4) Department of Defense's Military Critical Technologies Program (MCTP); (5) High Performance Computer Threshold Changes; and (6) The Cuban Democracy Act and the Cuban Liberty and Solidarity Act.

At the end of the Fiscal Year, six GAO studies addressing BIS programs and activities are pending the completion of final reports: (1) Commission on the Future of the U.S. Aerospace Industry; (2) Export Control Enforcement; (3) U.S. Government's Mechanism for Protecting Export-Controlled Information; (4) Review of the Visa Mantis clearance process; (5) Review of Shipments of Commerce Controlled (Dual-Use) Items; and (6) Nuclear Proliferation Networks.

Three OIG reviews addressing BIS programs and activities were completed during

Fiscal Year 2006, including: (1) the Annual Follow-Up Report on Previous Export Control Recommendations, as Mandated by the National Defense Authorization Act for Fiscal Year 2000; (2) Review of DOC's Performance Measures; and (3) U.S. Dual-Use Export Controls for China.

At the end of the Fiscal Year, three OIG studies addressing BIS programs and activities were active, including: (1) Review of U.S. Export Controls for India; (2) Commercial Service Operations in Argentina and Uruguay; and (3) Commercial Service Operations in Brazil.

Public Requests for Information and Court-Ordered Searches

BIS processed 78 Freedom of Information Act (FOIA) requests for export licensing and enforcement and other types of management information. BIS processed five court-ordered requests for information related to bankruptcy filings and litigation proceedings.

BIS took great efforts to comply with E.O. 12958, "Classified National Security Information," which required that all federal agencies complete a declassification review of all classified records of permanent historical value 25 years or older by December 31, 2006. BIS was successful in meeting the December 31, 2006 deadline by declassifying 281 boxes of previously classified records.

IT Security

For the E-Gov initiative, BIS successfully completed its two major ECASS Redesign system replacement program milestones on schedule and within budget. The first was delivery of a proof-of-concept ECASS-R core framework system, migration data base and reporting sub-system production pilot in December 2005. The second was the production deployment of the Simplified Network Application Process Redesign (SNAP-R) system in October 2006. SNAP-R provides improved security, rights management, the ability to submit export license application supporting documents online, and online access to BIS license officers. SNAP-R was certified and accredited on a new BIS Export Control distributed application infrastructure which meets the more stringent security requirements that have emerged since the original SNAP deployment in 1999. In addition, BIS continued to meet its Enterprise Architecture, IT Security, and Web public data dissemination requirements.

In Fiscal Year 2006, BIS continued to provide specialized Information Technology (IT) security training for IT employees and contractors using the Department of Commerce online Learning Management System as well as annual IT Security Awareness training for all employees and contractors.

BIS took the initiative to upgrade its IT Security requirements to a more stringent security level in accordance with Federal Information Processing Standards (FIPS-199) and to apply those requirements by developing additional end-user IT Security policies and procedures, export control system and general security infrastructure, development deliverables and standard operating procedures. BIS reallocated a significant portion of its IT resources to additional Information System Security Officers as part of its new IT Security Operations Center.

These enhanced IT security controls continued to maintain the BIS-wide IT security program level 3 despite more stringent requirements and criteria associated with NIST Special Publication (800-53), "Self-Assessment Guide for Information Technology (IT) Systems."

Technological Advances

In 2006, BIS completed two major technical advances. The ECASS-Redesign framework was implemented using a service-oriented architecture. This advance provided BIS with its first major release of a replacement export control system that features a user friendly interface and reduced paper handling and improved system reliability, maintainability, and expandability needed to add new system functions to support BIS staff. Strategically, it also positioned BIS to share data and operate more productively with other federal agencies.

The second major technical advance was the design and implementation of the first phase of a BIS Export Control (EC) distributed application and infrastructure platform featuring IT Security Infrastructure, data, and facilities geared toward the increased security requirements which have emerged over the past several years. The web-based SNAP-R export license application submission system was the first BIS application deployed on this platform.

BIS is committed to serving the public effectively by implementing improved information technology services to support business processes for employees and customers.



Appendix D: Summaries and Tables of Closed Export Enforcement Cases and Criminal Cases

**Table 1
Criminal Case Convictions Fiscal Year 2006**

Sentencing Date	Defendant	Criminal Charges	Criminal Sanctions	Case Details
10/3/05	Qing Chang (a.k.a. Frank Chang)	One count of making false statements in violation of 18 USC § 1001	1 year and 1 day in prison, 3 years supervised release, and a \$2,500 criminal fine	False statements to federal investigators regarding the export of microwave amplifiers
10/20/05	Bernard Smith	One count of conspiracy in violation of 18 USC § 371; Six counts of making false statements in violation of 18 USC § 542; One count of aiding and abetting in violations of 18 USC § 2	\$30,000 criminal fine and 3 years probation (including 4 months community confinement and 8 months, one day home detention)	Submission of false documents to avoid import duties imposed by a Department of Commerce order
11/9/05	Abed Mehyo	One count of making false statements in violation of 18 USC § 1001	2 years probation and a \$1,000 criminal fine	False statements on a Shipper's Export Declaration to conceal an export of biometric identification devices to Syria through the U.A.E.
11/18/05	Fiber Materials, Inc.	One count of violating the Export Administration Act in violation of 50 USC app. § 2410; One count of conspiracy in violation of 18 USC § 371	\$750,000 criminal fine	Export of Carbon-Carbon technology to India
11/18/05	Walter Lachman	One count of violating the Export Administration Act in violation of 50 USC app. § 2410; One count of conspiracy in violation of 18 USC § 371	\$250,000 criminal fine and 3 years probation (including 1 year home detention)	Export of Carbon-Carbon technology to India

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Sentencing Date	Defendant	Criminal Charges	Criminal Sanctions	Case Details
11/18/05	Maurice Subilia Jr.	One count of violating the Export Administration Act in violation of 50 USC app. § 2410; One count of conspiracy in violation of 18 USC § 371	\$250,000 criminal fine and 3 years probation (including 6 months in community confinement and 1 year home confinement)	Export of Carbon-Carbon technology to India
12/16/05	PA, Inc.	One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1705	3 years probation and a \$50,000 criminal fine	Export of specialty alloyed pipe to Iran through the United Kingdom and U.A.E.
12/21/05	Hailin Lin	One count of conspiracy to violate the International Emergency Economic Powers Act and the EAA in violation of 50 USC §§ 2401 and 1705; One count of money laundering conspiracy in violation of 18 USC § 1956	42 months in prison and a \$50,000 criminal fine	Exports of electronic components to the People's Republic of China
1/18/06	Ning Wen	One count of making false statements in violation of 18 USC § 1001; One count of conspiracy in violation of 18 USC § 371; Two counts of aiding and abetting an illegal export in violation the International Emergency Economic Powers Act in violation of 18 USC § 2 and 50 USC § 1705; Two counts of aiding and abetting a false statement in violation the International Emergency Economic Powers Act in violation of 18 USC § 2 and 50 USC § 1705; One count of conspiracy to commit money laundering in violation of 18 USC § 2 and 18 USC § 1956; Two counts of aiding and abetting money laundering in violation of 18 USC § 2 and 18 USC § 1956	60 months in prison, a \$50,000 criminal fine, 2 years probation, forfeiture of residence and forfeiture of \$329,826.70	Exports of electronic components to the People's Republic of China
1/19/06	Khalid Mahmood	One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1705	17 months in prison and 24 months probation	Export of forklift and tow tractor parts to Iran through the U.A.E.

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Sentencing Date	Defendant	Criminal Charges	Criminal Sanctions	Case Details
1/24/06	Hazim Elashi	Two counts of conspiracy in violation of 18 USC § 371; Two counts of violating the International Emergency Economic Powers Act in violation of 50 USC § 1701; One count of money laundering in violation of 18 USC § 1957; Five counts of making false statements in violation of 18 USC § 1001	60 months in prison, 2 years probation, and deportation upon release from prison	Exports of computers to Libya and Syria; dealing in the funds of a Specially Designated Terrorist; violating Bureau of Industry and Security Denial Orders
1/25/06	Ihsan Elashi	Two counts of conspiracy in violation of 18 USC § 371; Four counts of violating the International Emergency Economic Powers Act in violation of 50 USC § 1701; Nine counts of making false statements in violation of 18 USC § 1001	72 months in prison and 2 years probation	Exports of computers to Libya and Syria; dealing in the funds of a Specially Designated Terrorist; violating Bureau of Industry and Security Denial Orders
2/1/06	Francis Chan	One count of violating the International Emergency Economic Powers Act in violations of 50 USC § 1705	3 years probation and a \$6,000 criminal fine	Export of radiation hardened integrated circuits to the People's Republic of China through Hong Kong
2/2/06	Naji Antoine Abi Khalil	One count of conspiracy in violation of 18 USC § 371; One count of violating the International Emergency Economic Powers Act in violations of 50 USC § 1701; One count of providing material support to a terrorist organization in violation of 18 USC § 2339	Two 60-month prison sentences and one 57-month prison sentence to be served concurrently and a \$100,000 criminal fine	Attempted export of night vision equipment to Greece
2/23/06	Robert Quinn	One count of conspiracy in violation of 18 USC § 371; One count of violating the International Emergency Economic Powers Act in violations of 50 USC § 1701	39 months in prison and a \$6,000 criminal fine	Export of forklift and tow tractor parts to Iran through the U.A.E.
3/7/06	Ching Kan Wang	One count of conspiracy in violation of 18 USC § 371	1 year and 1 day in prison	Conspired to acquire sensitive communication encryption modules for export to Taiwan
3/10/06	GasTech Engineering	One count of conspiracy in violation of 18 USC § 371	5 years probation, a \$5,000 criminal fine and forfeiture of \$50,000	Conspiring to provide engineering and procurement services to the Government of Iran's
3/14/06	Continental Cable Co.	One count of making false statements in violation of 18 USC § 1001	\$5,000 criminal fine	Export of wire rope to the United Kingdom and Spain

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Sentencing Date	Defendant	Criminal Charges	Criminal Sanctions	Case Details
3/22/06	John Carrington	One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1702	1 year probation and a \$850,000 criminal fine	Export of crime control equipment to China through Italy and Hong Kong
3/31/06	Raymond Teng	One count of making false statements in violation of 18 USC § 1001	5 years probation and a \$3,000 criminal fine	Making a false statement to Special Agents pursuant to an investigation which of the illegal export of an USML item to Iran
4/12/06	Tomer Grinberg	One count of conspiracy in violation of 18 USC § 371	6 months in prison and deportation upon release from prison	Attempted export of night vision equipment to Greece
5/1/06	Kwan Chun Chan (a.k.a. Jenny Chan)	One count of conspiracy in violation of 18 USC § 371	2 years probation, including 6 months home confinement	Export of electronic circuits to the People's Republic of China
5/1/06	Xiu Ling Chen (a.k.a. Linda Chen)	One count of conspiracy in violation of 18 USC § 371	18 months in prison and 2 years probation	Export of electronic circuits to the People's Republic of China
5/1/06	Hao Li Chen (a.k.a. Ali Chen)	One count of conspiracy in violation of 18 USC § 371	30 months in prison and 2 years probation	Export of electronic circuits to the People's Republic of China
5/1/06	Weibo Xu (a.k.a. Kevin Xu)	One count of conspiracy in violation of 18 USC § 371; One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1705; One count of violating the Arms Export Control Act in violation of 22 USC § 2778	Three 44-month prison sentences to be served concurrently and 2 years probation	Export of electronic circuits to the People's Republic of China
5/30/06	New Cal Aviation	One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1705	2 years probation and a \$200,000 criminal fine	Export of civilian aircraft parts to a listed Specially Designated National of Libya
5/30/06	Richard Greenleaf	One count of making false statements in violation of 18 USC § 1001	3 years probation and a \$2,500 criminal fine	Export of civilian aircraft parts to a listed Specially Designated National of Libya
6/14/06	Terry Li	One count of making false statements in violation of 18 USC § 1001	1 year probation	False statements made in connection with the export of electronic components to the People's Republic of China
6/14/06	Universal Technology, Inc.	One count of making false statements in violation of 18 USC § 1001	1 year probation	False statements made in connection with the export of electronic components to the People's Republic of China

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Sentencing Date	Defendant	Criminal Charges	Criminal Sanctions	Case Details
6/30/06	Longitude Electronics	One count of money laundering in violation of 18 USC § 1956	2 years probation and a \$200,000 criminal fine	Using bank accounts to receive wire transfers of funds from overseas to pay for electronic components which were exported from the U.S. to the People's Republic of China
6/30/06	Bing Zhao	One count of making false statements in violation of 13 USC § 305	2 years probation	Submitted Shipper's Export Declarations containing false information to federal agencies pertaining to the export of electronic components to the People's Republic of China
8/4/06	David Tatum	One count of making false statements in violation of 18 USC § 1001	1 year probation, 50 hours community service and a \$5,000 criminal fine	Lied to federal agents regarding an illegal export scheme to divert forklift truck parts to Iran
9/1/06	Matt Mihsen	One count of unlawful delivery to a contract carrier in violation of 18 USC § 922	7 months in prison and 1 year supervised release	
9/7/06	Springer Magrath Company	One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1705	\$50,000 criminal fine	Export of crime controlled items to South Africa
9/18/06	Supermicro Computer	One count of violating the International Emergency Economic Powers Act in violation of 50 USC § 1705	\$150,000 criminal fine	Export of motherboards to Iran

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Table 2
Department of Commerce Export Enforcement Cases Fiscal Year 2006

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
10/04/05	Federal Express Corporation	Exported on behalf of denied persons Tetrabal Corp and Yuri Montgomery and with knowledge that a violation would occur; aided and abetted the export of a computer to Syria without the required license; made misrepresentation of license code on automated export system record	764.2 (k) [2] 764.2 (e) [1] 764.2 (b) [1] 764.2 (g) [1]	Settlement Agreement – civil penalty of \$40,000
10/05/05	Pro345 Distribution (Proprietary) Limited and ProChem (Proprietary) Limited	Resold potassium cyanide and sodium cyanide to end users in South Africa in violation of conditions on U.S. Department of Commerce licenses and with knowledge that violations would occur	764.2 (a) [110] 764.2 (e) [110]	Settlement Agreement – civil penalty of \$1,540,000
10/05/05	Clark Material Handling Company	Conspired to export and exported lift truck parts to Iran without the required authorization and with knowledge that violations would occur; made false statements on Shipper's Export Declarations ("SED") regarding country of ultimate destination and identity of ultimate consignee; made false statements to an OEE Special Agent in the course of an investigation	764.2(d) [1] 764.2(a) [5] 764.2(e) [5] 764.2(g) [8]	Settlement Agreement - civil penalty of \$200,000
10/05/05	DHL Holdings (USA), Inc.	Exported commodities to Saudi Arabia on behalf of denied persons Tetrabal Corp. and Ihsan Elashi	764.2(k) [3]	Settlement Agreement - civil penalty of \$18,000
10/11/05	Exel North American Logistics, Inc.	Caused the export of medical defibrillators from the U.S. through South Africa to Iran without the required authorization	764.2(b) [1]	Settlement Agreement - civil penalty of \$8,000
10/20/05	Suburban Guns (Pty) Ltd.	Acted contrary to the terms of a denial order and with knowledge that violations would occur	764.2(k) [2] 764.2(e) [2]	Civil penalty of \$44,000; export privileges denied for five years from July 25, 2007 (Default Judgment)
10/20/05	Phaedon Nicholas Criton Constan-Tatos, (a.k.a. Fred Tatos)	Acted contrary to the terms of a denial order and with knowledge that violations would occur; made false representation to a BIS official during BIS's investigation	764.2(k) [2] 764.2(e) [2] 764.2(g) [1]	Civil penalty of \$55,000; export privileges denied for five years from July 25, 2007 (Default Judgment)

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
10/24/05	Cymer, Inc.	Deemed exports to foreign nationals from Russia and the People's Republic of China; exported a deep ultraviolet light source to Taiwan without the required license; made false statement to the U.S. Government in connection with an export	764.2(a) [3] 764.2(g) [2]	Settlement Agreement - civil penalty of \$19,250
10/24/05	Overton's Inc.	Exported optical sighting devices, choke tubes, and related equipment to Canada without the required licenses	764.2(a) [22]	Settlement Agreement - civil penalty of \$6,600
10/27/05	Spencer Clark Rogers	Caused a false statement to be made by selling or transferring foreign origin sealing products to a U.S. exporter under the representation that the parts were of U.S. origin	764.2(b) [1]	Settlement Agreement - civil penalty of \$5,500; export privileges denied for two years, all of which is suspended
10/27/05	Lei Jack Chen	Caused a false statement to be made by selling or transferring foreign origin sealing products to a U.S. exporter under the representation that the parts were of U.S. origin	764.2(b) [1]	Settlement Agreement - civil penalty of \$5,500; export privileges denied for two years, all of which is suspended
11/07/05	Salinas International Freight Company, Inc.	Exported computers and related equipment to Saudi Arabia on behalf of Tetrabal, a denied person; made false or misleading representation regarding the license authority on SED	764.2(k) [1] 764.2(g) [1]	Settlement Agreement - civil penalty of \$11,600
11/07/05	Medical Equipment Specialists, Inc.	Attempted to export and conspired to export X-ray film processors to Cuba via Canada without the required license and with knowledge that a violation would occur; made false representation regarding the ultimate destination on SED	764.2(c) [1] 764.2(e) [2] 764.2(g) [1] 764.2(d) [1]	Settlement Agreement - civil penalty of \$37,500
11/07/05	Maine Biological Laboratories, Inc.	Exported avian vaccines containing the Newcastle disease virus to Syria without the required licenses and with knowledge that a violation would occur; made false statement regarding the authority to export on SED; failed to file SED for an export to Syria	764.2(a) [5] 764.2(e) [4] 764.2(g) [3]	Settlement Agreement - civil penalty of \$100,000; export privileges denied for five years, all of which is suspended

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
11/09/05	Performance Medical Supplies	Conspired to export and aided the export of physical therapy equipment to Iran without the required authorization and with knowledge that a violation would occur; took actions to evade the U.S. Government's licensing requirements	764.2(d) [1] 764.2(b) [3] 764.2(e) [3] 764.2(h) [3]	Settlement Agreement - export privileges denied for five years
11/14/05	Trans-Media Services Ltd.	Made false representations to BIS officials	764.2(g) [2]	Settlement Agreement - civil penalty of \$19,800
11/14/05	Mohammed Saleh Sweidan	Made false representations to BIS officials	764.2(g) [2]	Settlement Agreement - civil penalty of \$19,800
11/22/05	Carrier Access Corporation	Exported telecommunications devices and technical information to Iran without authorization from OFAC and with knowledge that violations would occur; failed to file SED	764.2(a) [11] 764.2(e) [5]	Settlement Agreement - civil penalty of \$61,600
11/30/05	Air Cargo International	Aided and abetted the attempted unlicensed export of two thermal imaging cameras to an entity in the United Arab Emirates; filed or caused to be filed an SED that contained false statements of fact	764.2(b) [1] 764.2(g) [1]	Settlement Agreement - civil penalty of \$11,000
12/14/05	Zhan Gao and Related Persons: Technology Business Services, University Laboratories, Allways, Inc. and Donghua Xue	Knowingly and willfully exported and caused to be exported 80 microprocessors to the People's Republic of China without obtaining the required Department of Commerce licenses	Sections 1702 and 1705 of IEEPA	Export privileges denied under Section 11(h) of the EAA and Section 766.25 of the EAR until March 5, 2014
12/22/05	The CIT Group, Inc.	Exported oscilloscopes and signal generators to various end users in Israel and the Philippines without the required licenses; made false or misleading representations, statements, or certifications on SED	764.2(a) [15] 764.2(g) [2]	Settlement Agreement - civil penalty of \$74,800
12/28/05	Becton, Dickinson and Company	Exported biomedical research products, labware for tissue culture and fluid handling and reagent systems for life sciences research to organizations in India on the Entity List without the required licenses	764.2(a) [36]	Settlement Agreement - civil penalty of \$123,000; perform audit of internal compliance program within 24 months
01/27/06	Nippon Express U.S.A., Inc.	Caused an attempted export of seismic equipment to Syria without the required license; made false or misleading representation of proper authorization on export control document	764.2(b) [1] 764.2(g) [1]	Settlement Agreement - civil penalty of \$17,000

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
01/27/06	Wen Enterprises, Ning Wen, Hailin Lin	TDO: Conspired with others, known and unknown, to illegally export items subject to the EAR, including national security controlled electronic components to the People's Republic of China (PRC) without the required licenses	764.2(d)	TDO denying export privileges renewed for 180 days
01/31/06	Pakland PME Corp., Humayun Khan	TDO: Conspired with others, known and unknown, to cause items subject to the EAR to be illegally exported to Pakistan, caused and attempted to cause exports of items controlled for nuclear non-proliferation reasons to Pakistan with knowledge that violation of the EAR would occur, and took actions intended to evade the EAR	764.2(d) 764.2(b) 764.2(e) 764.2(h)	TDO denying export privileges renewed for 180 days
02/14/06	STAT Medical (Pty), Ltd.	Aided in the export of medical defibrillators from the U.S. through South Africa to Iran without the required authorization; made a false statement to Office of Export Enforcement Special Agents in the course of an investigation	764.2(b) [1] 764.2(g) [1]	Settlement Agreement - civil penalty of \$14,000
02/17/06	Chris Carter	Exported medical defibrillators to Iran without the required U.S. Government authorization and with knowledge that a violation would occur; made false statements on SEDs concerning country of ultimate destination, identity of ultimate consignee and authority to export and with knowledge that a violation would occur	764.2(a) [2] 764.2(e) [6] 764.2(g) [8]	Settlement Agreement - civil penalty of \$120,000; export privileges denied for five years, all of which is suspended
03/01/06	Erik Kyriacou	Knowingly and willfully having exported and caused to be exported from the United States to Iran, four electrophysics astroscope lenses without the required licenses from the Department of Commerce	Section 1705(b) of IEEPA	Export privileges denied under Section 11(h) of the EAA and Section 766.25 of the EAR until July 19, 2015
03/02/06	Hittite Microwave Corporation	Exported microwave solid state amplifiers and related equipment including downconverters to Russia, China and Latvia without obtaining the required licenses; made false statement on SED concerning authority to export	764.2(a) [6] 764.2(g) [1]	Settlement Agreement - civil penalty of \$221,250

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
03/02/06	Orcas International, Inc.	Conspired and acted in concert with others, known and unknown, to export and attempt to export toxins from the United States to North Korea without the required license	764.2(d) [1] 764.2(b) [1]	Settlement Agreement - civil penalty of \$19,800; export privileges denied for four years for items specified on the Commerce Control List
03/02/06	Graneshawar K. Rao	Conspired and acted in concert with others, known and unknown, to export and attempt to export toxins from the United States to North Korea without the required license	764.2(d) [1] 764.2(b) [1]	Settlement Agreement - export privileges denied for four years for items specified on the Commerce Control List
03/02/06	Dolphin International, Ltd.	Conspired and acted in concert with others, known and unknown, to export and solicit an export of toxins from the United States to North Korea without the required license	764.2(d) [1] 764.2(c) [1]	Settlement Agreement - civil penalty of \$22,000; export privileges denied for four years
03/02/06	Vishwanath Kakade Rao	Conspired and acted in concert with others, known and unknown, to export and solicit an export of toxins from the United States to North Korea without the required license	764.2(d) [1] 764.2(c) [1]	Settlement Agreement - export privileges denied for four years
03/03/06	Oriental Trading Corporation	TDO: Conspired with others, known and unknown, to cause items to be illegally exported to Pakistan with knowledge that violations of the EAR would occur and took actions to intended to evade the EAR	764.2(d) 764.2(e) 764.2(h)	TDO denying export privileges renewed for 180 days

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
03/09/06	Sunford Trading, Ltd., Related Persons: Sunford (China) Trading Ltd., Sunford Trading Ltd., Hero Peak Ltd., Hero Peak Ltd., Joanna Liu, Portson Trading, Ltd., Gold Technology Limited, Sunford Technology Development Ltd., Beijing Gold Technology Ltd., Sunford (International) Technology, Ltd. And Sunford Macau Commercial Offshore, Ltd.	Ordered, bought, financed and/or forwarded an industrial hot press furnace to China with knowledge that a violation would occur; conspired to export an industrial furnace to China without the required authorization; caused the export of the furnace without the required license	764.2(e) [1] 764.2(d) [1] 764.2(b) [1]	Added 14 entities as related persons to the denial order against Sunford Trading, Ltd.
03/16/06	Nvidia Corporation	Deemed export of technology to Iranian national in the United States without the required license	764.2(a) [1]	Settlement Agreement - civil penalty of \$4,500
03/17/06	Bear Basin Outfitters	Exported optical sighting devices to various countries, including Canada, Sweden, and Switzerland without the required licenses	764.2(a) [64]	Settlement Agreement - civil penalty of \$8,000
03/17/06	Tech Pro, Inc.	Exported software upgrades to the Vikram Sarabhai Space Center of Thiruvanthapuram, India, an organization on the Entity list	764.2(a) [1]	Settlement Agreement - civil penalty of \$7,000
03/17/06	Phaedon Nicolas Criton Constan-Tatos, a.k.a Fred Tatos and Related Person: Assegai Trading (Pty) Ltd.	Acted contrary to the terms of a denial order and with knowledge that violations would occur; made false representation to a BIS official during BIS's investigation	764.2(k) [2] 764.2(e) [2] 764.2(g) [1]	Added Assegai Trading (Pty) Ltd as a related person to the Phaedon Nicolas Criton Constan-Tatos denial order
03/22/06	Ameribrom, Inc.	Failed to obtain and submit the required end use certificate when it exported a chloropicrin-based pesticide and soil fungicide to Israel	764.2(a) [11]	Settlement Agreement - civil penalty of \$82,500

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
04/03/06	MTS Systems Corporation	Exported a thermal mechanical fatigue test system to the Indira Gandhi Center for Atomic Research (IGCAR) in India, an organization on BIS's Entity List without the required license and with knowledge that a violation would occur; made a false statement as to authority to export on SED and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [2] 764.2(g) [1]	Settlement Agreement - civil penalty of \$36,000
04/07/06	Transtar Metals, Corp.	Exported aluminum rods to various destinations, including Israel and the Philippines, without the required licenses; attempted export of aluminum rods to Malaysia without the required licenses; made false statement of SED concerning the authority to export	764.2(a) [10] 764.2(g) [1]	Settlement Agreement - civil penalty of \$65,000
04/12/06	Cargolux Airlines International S.A.	Caused, aided or abetted a violation by attempting to export seismic equipment to Syria without the required license	764.2(b) [1]	Settlement Agreement - civil penalty of \$9,000
04/12/06	Tysonic Enterprises and Chang Heep Loong	TDO: Caused, aided or abetted the doing of an act prohibited by the EAR, specifically made unlicensed exports to Iran involving items on the CCL and subject to the Iranian Transactions Regulations of OFAC	764.2(b)	TDO denying export privileges for 180 days
04/18/06	Ruo Ling Wang and Related Person: Beijing Rich Linscience Electronics Company	Knowingly and willfully making a false statement and concealing a material fact from BIS and the former U.S. Customs Service	Section 1705(b) of IEPPA	Export privileges denied under Section 11(h) of the EAA and Section 766.25 of the EAR until May 2, 2015
04/20/06	Toxin Technology, Inc.	Exported various toxins, including staphylococcal enterotoxins and shiga toxins to various countries including Japan, France, and the United Kingdom without the required licenses; failed to retain export control documents	764.2(a) [92] 764.2(i)[1]	Settlement Agreement - civil penalty of \$255,750, \$225,750 suspended
04/28/06	Hexcel Corporation	Deemed export of technology to Taiwanese National in the United States without the required license; exported carbon fabric and carbon fiber to various destinations without the required licenses; made false or misleading representation, statement, or certification on export control document	764.2(a) [21] 764.2(g) [1]	Settlement Agreement - civil penalty of \$203,400 [4 violations while EAA was in effect]

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
04/28/06	The National Institute for Truth Verification ("NITV")	Exported and caused, aided or abetted the export of computers containing voice stress analyzer software and technology to South Africa, South Korea, Mexico without the required licenses and with knowledge that a violation would occur; made deemed export violations	764.2(a) [6] 764.2(b) [4] 764.2(e) [1]	Settlement Agreement - civil penalty of \$77,000
05/05/08	Ruo Ling Wang and Related Persons: Beijing Rich Linscience Electronics Company and Jian Gou Qu	Knowingly and willfully making a false statement and concealing a material fact from BIS and the former U.S. Customs Service	Section 1705(b) of IEEPA	Added Jian Gou Qu as a related person to the Wang Denial Order
05/10/06	Plains All American Pipeline, L.P.	Exported crude oil to Canada contrary to BIS licenses issued and with knowledge that violations would occur	764.2(a) [15] 764.2(e) [15]	Settlement Agreement - civil penalty of \$82,000
05/12/06	Extreme Networks, Inc.	Exported computer network switching hardware to Beijing University of Aeronautics and Astronautics of Beijing, China, an organization on BIS's Entity List and with knowledge that a violation would occur; made false statements concerning authority to export and the ultimate consignee and with knowledge that violations would occur	764.2(a) [1] 764.2(e) [3] 764.2(g) [2]	Settlement Agreement - civil penalty of \$35,000
05/12/06	Ingersoll-Rand Co., Ltd.	Exported diaphragm pumps to India, Israel, the People's Republic of China, Taiwan and Russia without the required licenses and with knowledge that violations would occur; made false statements on SEDs	764.2(a) [28] 764.2(e) [28] 764.2(g) [24]	Settlement Agreement - civil penalty of \$680,000 - after filing of charging letter
05/12/06	Data Physics Corporation, Data Physics China, Sri Welranta, Bill Chen	TDO: Knowingly caused unlicensed exports of vibration test and related equipment to the Hai Yang Electro-Mechanical Technology Academy ("3rd Academy") in China, an end-user that Data Physics knew was involved in the development of cruise missiles	764.2(a) 764.2(e)	TDO denying export privileges for 180 days
05/23/06	UGS Corporation	Exported computer software or software updates to Entity List organizations in India and China without the required licenses	764.2(a) [15]	Settlement Agreement - civil penalty of \$57,750

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
05/23/06	Dresser Italia S.r.l.	Caused exports and reexported various oil industry-related items to Libya and Iran without the required U.S. Government authorization and with knowledge that violations would occur	764.2(b) [51] 764.2(e) [60] 764.2(a) [9]	Settlement Agreement - civil penalty of \$820,000
05/23/06	DI U.K. Ltd.	Reexported and caused an export of various oil industry-related items to Libya without the required U.S. Government authorization	764.2(a) [6] 764.2(a) [31]	Settlement Agreement - civil penalty of \$122,100
05/23/06	Dresser, Inc.	Exported various oil industry-related items to Libya and Iran without the required U.S. Government authorization	764.2(a) [33]	Settlement Agreement - civil penalty of \$110,000
05/23/06	Dresser Europe GmbH	Caused an export and reexported of various oil industry-related items from Germany to Libya without the required U.S. Government authorization and with knowledge that a violation would occur	764.2(b) [2] 764.2(e) [3] 764.2(a) [1]	Settlement Agreement - civil penalty of \$19,800
05/23/06	Dresser Instruments S.A. de C.V.	Aided and abetted unlicensed reexports of pressure gauges and other items to Cuba	764.2(b) [4]	Settlement Agreement - civil penalty of \$12,000
05/23/06	Dresser International, Inc.	Caused a reexport of various oil industry-related items to Iraq without the required U.S. Government authorization and with knowledge that a violation would occur	764.2(b) [1] 764.2(e) [1]	Settlement Agreement - civil penalty of \$6,600
05/23/06	DI Canada, Inc.	Reexported and caused an export of various oil-industry-related items from Canada to Libya without the required U.S. Government authorization	764.2(a) [1] 764.2(b) [1]	Settlement Agreement - civil penalty of \$6,600
05/23/06	International Valves Ltd.	Reexported spare parts from the United Kingdom to Libya without the required U.S. Government authorization	764.2(a) [1]	Settlement Agreement - civil penalty of \$3,300
06/01/06	Swiss Telecom	Conspired to export and caused export of telecommunication devices and technical information to Iran without the required licenses and with knowledge that violations would occur	764.2(d) [1] 764.2(b) [4] 764.2(e) [2]	Export privileges denied for 10 years (Default Judgment)
06/05/06	Edsons Worldwide Services, Inc.	Exported fingerprint powders to Belarus without the required license and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [1]	Settlement Agreement - export privileges denied for 10 years

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
06/05/06	Eduard Mendeleovich Yamnik	Exported fingerprint powders to Belarus without the required license and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [1]	Settlement Agreement - export privileges denied for 10 years
06/09/06	Teepad Electronics General Trading	Conspired to export and aided and abetted the export of telecommunications devices to Iran without the required licenses and with knowledge that violations would occur	764.2(d) [1] 764.2(b) [2] 764.2(e) [2]	Export privileges denied for 10 years (Default Judgment)
06/09/06	Kailash Muttreja	Conspired and solicited an export of toxins to North Korea without the required license	764.2(d) [1] 764.2(b) [1]	Export privileges denied for six years (Default Judgment)
06/20/06	Arrow Electronics, Inc.	Exported electronic and computer components to Russia without the required licenses	764.2(a) [5]	Settlement Agreement - civil penalty of \$20,000
06/20/06	Tesmec U.S.A Inc.	Attempted to export a trencher to Libya via Italy without the required license and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [1]	Settlement Agreement - civil penalty of \$12,600
06/20/06	Tesmec S.p.A.	Took actions with intent to evade the regulations and with knowledge that violations would occur in connection with an attempted export to Libya via Italy	764.2(h) [2] 764.2(e) [1]	Settlement Agreement - civil penalty of \$24,300
06/23/06	Terry Tengfang Li	Exported electronic components to the People's Republic of China without the required licenses and with knowledge that violations would occur; made false statement on SEDs concerning authority to export	764.2(a) [17] 764.2(e) [17] 764.2(g) [15]	Settlement Agreement - export privileges denied for 20 years
06/23/06	Universal Technology, Inc.	Exported electronic components to the People's Republic of China without the required licenses and with knowledge that violations would occur; made false statement on SEDs concerning authority to export	764.2(a) [17] 764.2(e) [17] 764.2(g) [15]	Settlement Agreement - civil penalty of \$170,000; export privileges denied for 20 years
06/23/06	Nei-Chien Chu (aka "Pearl Li")	Exported electronic components to the People's Republic of China without the required licenses and with knowledge that violations would occur; made false statement on SEDs concerning authority to export	764.2(a) [17] 764.2(e) [17] 764.2(g) [15]	Settlement Agreement - export privileges denied for 20 years

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
06/23/06	BiB Industrie-Handel Dipl. Ing M. Mangelsen GmbH	Conspired to export spare parts for hydraulic shears to Libya without the required U.S. Government authorization; took actions to evade the Regulations requirements for exporting to Libya by causing parts for hydraulic shears to be forwarded domestically knowing that the parts were to be exported from the United States to Libya	764.2(d) [1] 764.2(h) [6]	Civil penalty of \$77,000; export privileges denied for 20 years (Litigated case)
06/23/06	Malte Mangelsen	Conspired to export spare parts for hydraulic shears to Libya without the required U.S. Government authorization; took actions to evade the Regulations requirements for exporting to Libya by causing parts to be forwarded domestically knowing that the parts were to be exported from the United States to Libya	764.2(d) [1] 764.2(h) [6]	Civil penalty of \$77,000; export privileges denied for 20 years (Litigated case)
06/27/06	MUTCO International	Conspired to export and solicited an export of toxins to North Korea without the required license	764.2(d) [1] 764.2(b) [1]	Export privileges denied for six years (Default Judgment)
06/29/06	Ihsan Medhat Elashi, a/k/a I. Ash, a/k/a Haydee Herrera, a/k/a Abdullah Al Nasser, a/k/a Samer Suwwan, a/k/a Sammy Elashi	Conspired to export and exported computer equipment and software to Syria without the required license and with knowledge that a violation would occur; exported computers and computer accessories and negotiated a transaction involving the export of items while being denied export privileges and with knowledge that violations would occur; took actions to evade denial order	764.2(d) [1] 764.2(a) [1] 764.2(e) [14] 764.2(k) [13] 764.2(h) [3]	Civil penalty of \$330,000; export privileges denied for 50 years (Litigated case)
07/11/06	Diaa Mohsen	Knowingly and willfully attempted to export from the United States to Pakistan guided missiles and night sighting equipment, stinger missiles and night vision goggles, designated as defense articles without obtaining the required approval from the U.S. Department of State	Section 38 of the AECA	Export privileges denied under Section 11(h) of the EAA and Section 766.25 of the EAR until February 15, 2012
08/01/06	Asher Karni, and Related persons: Pakland PME Corporation and Humayun Khan	Willfully exporting and attempting to export two oscilloscopes and triggered spark gaps from the United States to Pakistan via South Africa without having first obtained the required export licenses from the Department of Commerce	11(h) of the EAA	Export privileges denied under Section 11(h) of the EAA and Section 766.25 of the EAR until August 4, 2015

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
08/02/06	Varian Inc.	Exported computers and associated software to Syria without the required licenses; made false statements as to the authority to export on SED	764.2(a) [3] 764.2(g) [3]	Settlement Agreement - civil penalty of \$26,400
08/02/06	Varian AG	Reexported computer and associated software to Syria without the required licenses; made false statements as to the authority to export on SED and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [1]	Settlement Agreement - civil penalty of \$8,800
08/02/06	Varian B.V.	Aided in the export and reexport of computers and associated software and ethernet switches to Syria without the required licenses and with knowledge that violations would occur	764.2(b) [3] 764.2(a) [4] 764.2(e) [2]	Settlement Agreement - civil penalty of \$39,600
08/04/06	GE Nuclear Energy, Inc.	Exported radiation hardened cameras to Taiwan without the required licenses; made false statement on SEDs	764.2(a) [4] 764.2(g) [13]	Settlement Agreement - civil penalty of \$56,000
08/04/06	Muhammad Inam Bhatti	Conspired to export and aided and abetted the export of pipe cutting equipment to Iran without the required U.S. Government authorization and with knowledge that a violation would occur; took actions to evade the requirements of the Regulations	764.2(d) [1] 764.2(c) [1] 764.2(b) [1] 764.2(h) [1]	Settlement Agreement - civil penalty of \$34,000
08/04/06	Roger Unterberger	Conspired to export and caused an export of pipe cutting equipment to Iran without the required U.S. Government authorization; took actions to evade the requirements of the Regulations	764.2(d) [1] 764.2(b) [1] 764.2(h) [1]	Settlement Agreement - civil penalty of \$25,500
08/04/06	Go-Trans (North America) Inc.	Conspired to export and aided and abetted the export of pipe cutting equipment to Iran without the required U.S. Government authorization and with knowledge that a violation would occur; took actions to evade the requirements of the Regulations	764.2(d) [1] 764.2(c) [1] 764.2(b) [1] 764.2(h) [1]	Settlement Agreement - civil penalty of \$34,000
08/04/06	Gondrand AG	Conspired to export and caused an export of pipe cutting equipment to Iran without the required U.S. Government authorization; took actions to evade the requirements of the Regulations	764.2(d) [1] 764.2(b) [1] 764.2(h) [1]	Settlement Agreement - civil penalty of \$25,500
08/10/06	Equistar Chemicals, LP	Exported triethanolamine to Mexico without the required export licenses	764.2(a) [13]	Settlement Agreement - civil penalty of \$39,650

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
08/14/06	Lawrence Scibetta	Attempted to export two thermal imaging cameras to the United Arab Emirates without the required license and with knowledge that a violation would occur; possession with the intent to export illegally; made false statement directly to BIS; took actions to evade the Regulations	764.2(c) [1] 764.2(e) [1] 764.2(f) [1] 764.2(g) [1] 764.2(h) [1]	Settlement Agreement - civil penalty of \$30,000; export privileges denied for 20 years
08/16/06	Spectrum Laboratory Products, Inc.	Exported trolamine and phosphorus oxychloride to Israel and Hong Kong without the required licenses	764.2(a) [4]	Settlement Agreement - civil penalty of \$20,000
08/30/06	Maximum Human Performance, Inc.	Attempted to export nutritional supplements to Iran without the required authorization; made false statement on SED	764.2(c) [1] 764.2(g) [1]	Settlement Agreement - civil penalty of \$12,000
09/01/06	Thomas Campbell Butler	Exported human pathogen to Tanzania without the required license and with knowledge that a violation would occur; took actions to evade the Regulations	764.2(a) [1] 764.2(e) [1] 764.2(h) [2]	Settlement Agreement - civil penalty of \$37,400; export privileges denied for 10 years
09/01/06	Western Geophysical Company of America	Violated conditions of export licenses and with knowledge that violations would occur	764.2(a) [78] 764.2(e) [78]	Settlement Agreement - civil penalty of \$1,965,600
09/01/06	WesternGeco LLC	Violated conditions of export licenses	764.2(a) [15]	Settlement Agreement - civil penalty of \$925,000
09/07/06	Cerac, Inc.	Exported specialty inorganic materials to India, Israel, the People's Republic of China, Taiwan and Thailand and exported quantities of Iron and Selenium to the Inter University Consortium in India, an organization which was then on the Entity List without the required licenses and with knowledge that violations would occur; made false or misleading statements on SEDs concerning authority to export and with knowledge that violations would occur	764.2(a) [30] 764.2(e) [38] 764.2(g) [8]	Settlement Agreement - civil penalty of \$297,000
09/07/06	Univision Technology, Inc.	Exported electronic equipment to the People's Republic of China without the required licenses and with knowledge that violations would occur; failed to file SEDs	764.2(b) [5] 764.2(e) [5] 764.2(a) [2]	Settlement Agreement - export privileges denied for 10 years

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
09/07/06	Zheng Zheng	Caused the export of microwave transistors, microwave amplifiers, and related equipment to the People's Republic of China without the required licenses and with knowledge that violations would occur; made a false statement to a BIS Special Agent in the course of an investigation	764.2(b) [5] 764.2(e) [5] 764.2(g) [1]	Settlement Agreement - civil penalty of \$288,150, \$188,150 suspended; export privileges denied for 10 years
09/08/06	Supermicro Computer, Inc.	Exported super servers, motherboards and computer chassis from the U.S. through UAE to Iran without the required U.S. government authorization and with knowledge that violations would occur; made false misrepresentation of license authority of SEDs	764.2(a) [6] 764.2(e) [3] 764.2(g) [3]	Settlement Agreement - civil penalty of \$125,400
09/12/06	Mazen Ghashim	Attempted to export garment samples to Syria without the required license and with knowledge that a violation would occur	764.2(c) [1] 764.2(e) [1]	Settlement Agreement - civil penalty of \$22,000, all of which is suspended
09/12/06	Mazen Ghashim and Related person MNC Group International, Inc. d.b.a. Sports Zone d.b.a. Soccer Zone	Conspired to export, exported and attempted to export computers from the U.S. to Syria directly and by transshipment through UAE without the required license and with knowledge that violations would occur; made false statements on SEDs and with knowledge that violations would occur	764.2(d) [1] 764.2(a) [25] 764.2(e) [35] 764.2(c) [2] 764.2(g) [36]	Settlement Agreement - civil penalty of \$1,089,000, \$1,067,000 suspended; export privileges denied for 20 years
09/12/06	Ghashim Group, Inc., d.b.a. KZ Results	Conspired to export, exported and attempted to export computers from the U.S. to Syria directly and by transshipment through UAE without the required license and with knowledge that violations would occur; made false statements on SEDs and with knowledge that violations would occur	764.2(d) [1] 764.2(a) [25] 764.2(e) [35] 764.2(c) [2] 764.2(g) [36]	Settlement Agreement - civil penalty of \$1,089,000, \$1,067,000 suspended; export privileges denied for 20 years
09/12/06	MNC Group International, Inc. d.b.a. Wearform, d.b.a. Sports Zone, d.b.a. Soccer Zone	Attempted to export garment samples to Syria and with knowledge that a violation would occur	764.2(c) [1] 764.2(e) [e]	Settlement Agreement - civil penalty of \$22,000, \$17,000 suspended
09/18/06	Mohammad Al-Mashan Group	Violated a BIS license condition and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [1]	Export privileges denied for 10 years (Default Judgment)
09/18/06	Mr. Mohammad Al-Mashan	Violated a BIS license condition and with knowledge that a violation would occur	764.2(a) [1] 764.2(e) [1]	Export privileges denied for 10 years (Default Judgment)

Appendix D: Summaries of Closed Criminal and Administrative Export Enforcement Cases

Order Date	Respondent	Charges	Sections Violated [Number of violations]	Result
09/26/06	Uti , United States, Inc.	Aided and abetted the unlicensed export of items to an Entity List organization in China and the filing of a false statement on SED concerning ultimate destination; made false statement on SED as to the ECCN and with knowledge that a violation would occur	764.2(b) [2] 764.2(g) [1] 764.2(e) [1]	Settlement Agreement - civil penalty of \$33,000
09/26/06	Uti , United States, Inc.	Made false statements on SEDs as to the employee identification number	764.2(g) [34]	Settlement Agreement - civil penalty of \$76,500
09/29/06	Marlin Springer	Exported and attempted to export cattle prods (shaft assemblies, power packs and stock shocks) from the United States to various destinations, including Ireland, South Africa and Mexico, without the required licenses and with knowledge that violations would occur	764.2(a) [18] 764.2(c) [2] 764.2(e) [20]	Settlement Agreement - export privileges denied for three years, all of which is suspended
09/29/06	The Springer Magrath Company	Exported and attempted to export cattle prods (shaft assemblies, power packs and stock shocks) from the United States to various destinations, including Ireland, South Africa and Mexico, without the required licenses and with knowledge that violations would occur; made false statement to an Office of Export Enforcement Special Agent in the course of an investigation	764.2(a) [18] 764.2(c) [2] 764.2(e) [20] 764.2(g) [1]	Settlement Agreement - civil penalty of \$451,000; export privileges denied for three years, all of which is suspended



Appendix E-2

Number of Restrictive Trade Practices by Firm Type and Type of Restrictive Trade Practice October 2005 through September 2006

ALL TRANSACTIONS

Restrictive Trade Practice	Exporter	Bank	Forwarder	Carrier	Insurer	Other	Total
Carrier	71	404	3	0	0	15	493
Manufacturer/Vendor/Buyer	53	10	1	0	1	28	93
Insurance	0	0	0	0	0	0	0
Finance	5	8	0	0	0	1	14
Origin of Goods	258	44	1	0	0	62	365
Marked Goods/Packages	0	0	0	0	0	0	0
War Reparations	0	0	0	0	0	0	0
Observe Boycott Laws	59	9	0	0	0	25	93
Race/Religion/Sex/Origin	0	0	0	0	0	0	0
Relations with Boycotted Country	31	12	0	0	0	18	61
Risk of Loss	0	0	0	0	0	0	0
Destination of Goods	43	0	0	4	0	115	162
Other Restrictive Trade Practices	8	1	0	0	0	1	10
Totals	528	488	5	4	1	265	1291

Appendix E-3

Number ¹ of Restrictive Trade Practices
by Originating Country and Type of Practice
October 2005 through September 2006

Country	Carrier	Manufac- turer/ Vendor/ Buyer	Insurance	Finance	Origin of Goods	Marked Goods/ Packaging	War Repara- tions	Observe Boycott Laws	Race/ Religion/ Sex/ Origin	Relations w/Boy- cotted Country	Risk of Loss	Destina- tion of Goods	Other Restrictive Practices	Total
Bahrain	13	6	0	0	6	0	0	10	0	2	0	0	0	37
Egypt	2	0	0	0	0	0	0	0	0	0	0	3	0	5
Iraq	5	3	0	0	6	0	0	4	0	13	0	0	0	31
Jordan	1	0	0	0	1	0	0	0	0	1	0	0	0	3
Kuwait	38	1	0	1	31	0	0	2	0	0	0	0	0	73
Lebanon	118	1	0	0	4	0	0	1	0	1	0	0	0	125
Libya	5	5	0	0	20	0	0	3	0	4	0	0	1	38
Qatar	24	16	0	0	7	0	0	9	0	2	0	28	4	90
Saudi Arabia	4	10	0	2	13	0	0	4	0	5	0	1	3	42
Syria	3	8	0	0	17	0	0	10	0	11	0	0	0	49
UAE	242	32	0	6	125	0	0	41	0	19	0	20	1	486
Other ²	38	11	0	5	135	0	0	9	0	3	0	110	1	312
Total	493	93	0	14	365	0	0	93	0	61	0	162	10	1,291
Percent ³	38	7	0	1	28	0	0	7	0	5	0	13	1	100

Appendix E-4

**Number ¹ of Restrictive Trade Practices
by Originating Country and Type of Document
October 2005 through September 2006**

Country	Bid or Tender Proposal	Carrier Blacklist	Letter of Credit	Questionnaire	Requisition/ Purchase Order	Unwritten	Other Written	Total
Bahrain	7	0	18	0	4	0	3	32
Egypt	3	0	1	0	1	0	0	5
Iraq	8	0	0	10	3	0	5	26
Jordan	0	0	1	0	0	0	1	2
Kuwait	1	0	52	0	8	0	5	66
Lebanon	0	0	120	0	1	0	2	123
Libya	9	0	8	1	8	4	1	31
Qatar	36	0	21	0	13	0	1	71
Saudi Arabia	10	0	10	1	7	0	5	33
Syria	18	0	7	5	2	7	1	40
UAE ²	119	0	249	0	33	0	12	413
Other ³	135	0	57	10	82	1	13	298
Total	346	0	544	27	162	12	49	1140
Percentage ⁴	30	0	48	2	14	1	4	99

Appendix E-5

**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006**

All Transactions¹

Country	Take Action²	Refuse³	Undecided	Total⁴
BAHRAIN				
Number of Requests	0	13	0	13
Dollar Amount (\$000)	0	11,357	0	11,357
EGYPT				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	0	7	0	7
IRAQ				
Number of Requests	0	13	0	13
Dollar Amount (\$000)	0	41,851	0	41,851
JORDAN				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	0	0	0
KUWAIT				
Number of Requests	5	18	0	23
Dollar Amount (\$000)	895	16,578	0	17,473
LEBANON				
Number of Requests	2	4	0	6
Dollar Amount (\$000)	227	274	0	501
LIBYA				
Number of Requests	0	22	0	22
Dollar Amount (\$000)	0	26,042	0	26,042
QATAR				
Number of Requests	5	21	0	26
Dollar Amount (\$000)	1,422	4,709	0	6,131

Appendix E-5

**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006**

All Transactions¹ (continued)

Country	Take Action²	Refuse³	Undecided	Total⁴
SAUDI ARABIA				
Number of Requests	3	20	0	23
Dollar Amount (\$000)	4,472	9,668	0	14,140
SYRIA				
Number of Requests	2	15	0	17
Dollar Amount (\$000)	228	4,860	0	5,088
UAE				
Number of Requests	12	112	0	124
Dollar Amount (\$000)	1,494,974	142,582	0	1,637,556
OTHER⁵				
Number of Requests	43	121	1	165
Dollar Amount (\$000)	4,015	197,925	0	201,940
TOTAL ⁴				
Number of Requests	72	364	1	437
Dollar Amount (\$000)	1,506,232	455,852	0	1,962,084

Footnotes:

¹ Transactions figures and dollar values include bids, tenders, and trade opportunities. Such figures may be duplicated and include dollar values for potential transactions that never resulted in a sale.

² Dollar values may not add due to rounding

³ Includes Abu Dhabi, Sharjah, Ajman, Umm Al-Qaiwan, RA's Al-Khaimah, and Fujairah.

⁴ Includes Algeria, India, Iran, Malaysia, Nigeria, Oman, Pakistan, Tunisia, and Yemen.

⁵ This figure does not represent business lost due to refusals to comply with boycott requests. Instead, it indicates that U.S. companies refused to comply with the boycott request in bidding on contracts totaling this amount. The boycott language is often revised or eliminated to allow U.S. companies to bid consistent with U.S. law. Such revisions are not reflected in these statistics.

⁷ Transactions in this table are characterized as "Take Action" or "refuse" in terms of action taken on the original request, not on amended or deleted requests in bidding on contracts totaling the dollar amounts indicated. Prohibited boycott language is often amended or deleted to permit U.S. firms to comply with U.S. law.

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number and Value of Exporter Transactions by Originating Country and Decision on the Request October 2005 through September 2006

Appendix E-5(b) Prohibited Transactions

Country	Take Action ²	Refuse ³	Undecided	Total ⁴
BAHRAIN				
Number of Requests	0	8	0	8
Dollar Amount (\$000)	0	11,067	0	11,067
EGYPT				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
IRAQ				
Number of Requests	0	12	0	12
Dollar Amount (\$000)	0	41,769	0	41,769
JORDAN				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	0	0	0
KUWAIT				
Number of Requests	0	6	0	6
Dollar Amount (\$000)	0	14,500	0	14,500
LEBANON				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	6	0	6
LIBYA				
Number of Requests	0	18	0	18
Dollar Amount (\$000)	0	23,638	0	23,638
QATAR				
Number of Requests	1	10	0	11
Dollar Amount (\$000)	0	3,476	0	3,476

**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006**

Appendix E-5(b) Prohibited Transactions (continued)

Country	Take Action²	Refuse³	Undecided	Total⁴
SAUDI ARABIA				
Number of Requests	0	10	0	10
Dollar Amount (\$000)	0	5,191	0	5,191
SYRIA				
Number of Requests	0	11	0	11
Dollar Amount (\$000)	0	4,565	0	4,565
UAE				
Number of Requests	0	47	0	47
Dollar Amount (\$000)	0	34,288	0	34,288
OTHER⁵				
Number of Requests	0	22	0	22
Dollar Amount (\$000)	0	10,734	0	10,734
TOTAL⁴				
Number of Requests	1	146	0	147
Dollar Amount (\$000)	0	149,233	0	149,233

Footnotes:

¹ Transactions figures and dollar values include bids, tenders, and trade opportunities. Such figures may be duplicated and include dollar values for potential transactions that never resulted in a sale.

² Dollar values may not add due to rounding

³ Includes Abu Dhabi, Sharjah, Ajman, Umm Al-Qaiwan, RA's Al-Khaimah, and Fujairah.

⁴ Includes Algeria, India, Iran, Malaysia, Nigeria, Oman, Pakistan, Tunisia, and Yemen.

⁵ This figure does not represent business lost due to refusals to comply with boycott requests. Instead, it indicates that U.S. companies refused to comply with the boycott request in bidding on contracts totaling this amount. The boycott language is often revised or eliminated to allow U.S. companies to bid consistent with U.S. law. Such revisions are not reflected in these statistics.

⁷ Transactions in this table are characterized as "Take Action" or "refuse" in terms of action taken on the original request, not on amended or deleted requests in bidding on contracts totaling the dollar amounts indicated. Prohibited boycott language is often amended or deleted to permit U.S. firms to comply with U.S. law.

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number and Value of Exporter Transactions by Originating Country and Decision on the Request October 2005 through September 2006

Appendix E-5(c) Prohibited as First Received, but Amended

Country	Take Action ²	Refuse ³	Undecided	Total ⁴
BAHRAIN				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	166	0	166
EGYPT				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	7	0	7
IRAQ				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
JORDAN				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
KUWAIT				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	627	0	627
LEBANON				
Number of Requests	1	3	0	4
Dollar Amount (\$000)	221	268	0	489
LIBYA				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	0	0	0
QATAR				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	0	0	0

**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006**

Appendix E-5(c) Prohibited as First Received, but Amended (continued)

Country	Take Action²	Refuse³	Undecided	Total⁴
SAUDI ARABIA				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
SYRIA				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	66	0	66
UAE				
Number of Requests	1	5	0	6
Dollar Amount (\$000)	40	781	0	821
OTHER ⁵				
Number of Requests	2	4	0	6
Dollar Amount (\$000)	29	769	0	798
TOTAL ⁴				
Number of Requests	4	19	0	23
Dollar Amount (\$000)	290	2,684	0	2,974

Footnotes:

¹ Transactions figures and dollar values include bids, tenders, and trade opportunities. Such figures may be duplicated and include dollar values for potential transactions that never resulted in a sale.

² Dollar values may not add due to rounding

³ Includes Abu Dhabi, Sharjah, Ajman, Umm Al-Qaiwan, RA's Al-Khaimah, and Fujairah.

⁴ Includes Algeria, India, Iran, Malaysia, Nigeria, Oman, Pakistan, Tunisia, and Yemen.

⁵ This figure does not represent business lost due to refusals to comply with boycott requests. Instead, it indicates that U.S. companies refused to comply with the boycott request in bidding on contracts totaling this amount. The boycott language is often revised or eliminated to allow U.S. companies to bid consistent with U.S. law. Such revisions are not reflected in these statistics.

⁷ Transactions in this table are characterized as "Take Action" or "refuse" in terms of action taken on the original request, not on amended or deleted requests in bidding on contracts totaling the dollar amounts indicated. Prohibited boycott language is often amended or deleted to permit U.S. firms to comply with U.S. law.

Appendix E: Tables of Antiboycott Settlements and Reporting Data**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006****Appendix E-5(d) Exceptions to Prohibited Transactions**

Country	Take Action²	Refuse³	Undecided	Total⁴
BAHRAIN				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	0	124	0	124
EGYPT				
Number of Requests	0	3	0	3
Dollar Amount (\$000)	0	0	0	0
IRAQ				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
JORDAN				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
KUWAIT				
Number of Requests	2	6	0	8
Dollar Amount (\$000)	645	517	0	1,162
LEBANON				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
LIBYA				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	2,328	0	2,328
QATAR				
Number of Requests	1	0	0	1
Dollar Amount (\$000)	57	0	0	57

**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006**

Appendix E-5(d) Exceptions to Prohibited Transactions (Continued)

Country	Take Action²	Refuse³	Undecided	Total⁴
SAUDI ARABIA				
Number of Requests	3	5	0	8
Dollar Amount (\$000)	4,472	3,849	0	8,321
SYRIA				
Number of Requests	0	3	0	3
Dollar Amount (\$000)	0	229	0	229
UAE				
Number of Requests	8	49	0	57
Dollar Amount (\$000)	1,494,003	102,408	0	1,596,411
OTHER⁵				
Number of Requests	39	93	1	133
Dollar Amount (\$000)	2,594	186,020	0	188,614
TOTAL⁴				
Number of Requests	53	165	1	219
Dollar Amount (\$000)	1,501,770	295,474	0	1,797,244

Footnotes:

¹ Transactions figures and dollar values include bids, tenders, and trade opportunities. Such figures may be duplicated and include dollar values for potential transactions that never resulted in a sale.

² Dollar values may not add due to rounding

³ Includes Abu Dhabi, Sharjah, Ajman, Umm Al-Qaiwan, RA's Al-Khaimah, and Fujairah.

⁴ Includes Algeria, India, Iran, Malaysia, Nigeria, Oman, Pakistan, Tunisia, and Yemen.

⁵ This figure does not represent business lost due to refusals to comply with boycott requests. Instead, it indicates that U.S. companies refused to comply with the boycott request in bidding on contracts totaling this amount. The boycott language is often revised or eliminated to allow U.S. companies to bid consistent with U.S. law. Such revisions are not reflected in these statistics.

⁷ Transactions in this table are characterized as "Take Action" or "refuse" in terms of action taken on the original request, not on amended or deleted requests in bidding on contracts totaling the dollar amounts indicated. Prohibited boycott language is often amended or deleted to permit U.S. firms to comply with U.S. law.

Appendix E: Tables of Antiboycott Settlements and Reporting Data**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006****Appendix E-5(e) Prohibited as First Received, but Amended**

Country	Take Action²	Refuse³	Undecided	Total⁴
BAHRAIN				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
EGYPT				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
IRAQ				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	82	0	82
JORDAN				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
KUWAIT				
Number of Requests	3	4	0	7
Dollar Amount (\$000)	250	934	0	1184
LEBANON				
Number of Requests	1	0	0	1
Dollar Amount (\$000)	6	0	0	6
LIBYA				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	76	0	76
QATAR				
Number of Requests	3	10	0	13
Dollar Amount (\$000)	1365	1233	0	2598

**Number and Value of Exporter Transactions by Originating Country
and Decision on the Request
October 2005 through September 2006**

Appendix E-5(e) Prohibited as First Received, but Amended (continued)

Country	Take Action²	Refuse³	Undecided	Total⁴
SAUDI ARABIA				
Number of Requests	0	5	0	5
Dollar Amount (\$000)	0	627	0	627
SYRIA				
Number of Requests	2	0	0	2
Dollar Amount (\$000)	228	0	0	228
UAE				
Number of Requests	3	11	0	14
Dollar Amount (\$000)	931	5106	0	6037
OTHER ⁵				
Number of Requests	2	2	0	4
Dollar Amount (\$000)	1393	403	0	1796
TOTAL ⁴				
Number of Requests	14	34	0	48
Dollar Amount (\$000)	4172	8460	0	12632

Footnotes:

¹ Transactions figures and dollar values include bids, tenders, and trade opportunities. Such figures may be duplicated and include dollar values for potential transactions that never resulted in a sale.

² Dollar values may not add due to rounding

³ Includes Abu Dhabi, Sharjah, Ajman, Umm Al-Qaiwan, RA's Al-Khaimah, and Fujairah.

⁴ Includes Algeria, India, Iran, Malaysia, Nigeria, Oman, Pakistan, Tunisia, and Yemen.

⁵ This figure does not represent business lost due to refusals to comply with boycott requests. Instead, it indicates that U.S. companies refused to comply with the boycott request in bidding on contracts totaling this amount. The boycott language is often revised or eliminated to allow U.S. companies to bid consistent with U.S. law. Such revisions are not reflected in these statistics.

⁷ Transactions in this table are characterized as "Take Action" or "refuse" in terms of action taken on the original request, not on amended or deleted requests in bidding on contracts totaling the dollar amounts indicated. Prohibited boycott language is often amended or deleted to permit U.S. firms to comply with U.S. law.

Appendix E-6

**Number of Individual Firms, Transactions, Requesting Documents
and Restrictive Trade Practices Received by
“Controlled-in-Fact” Foreign Subsidiaries
October 2005 through September 2006**

ALL TRANSACTIONS (Summary Totals)

Country	Individual Firms Reporting	Transactions Reported	Requesting Documents Involved	Restrictive Trade Practices Requests
United Kingdom	21	39	39	52
France	4	4	4	4
Germany	3	3	3	3
Netherlands	3	10	10	11
Belgium	4	4	4	7
Switzerland	7	8	8	11
Canada	3	14	14	15
Italy	3	12	12	14
Other (European Nations)	3	5	5	8
Other (Arab Nations) ¹	39	121	121	159
All Other Nations	18	44	44	50
Total	108	264	264	334

Footnotes:

¹ Includes Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Saudi Arabia, UAE, Qatar, and Yemen.

**Number of Individual Firms, Transactions, Requesting Documents
and Restrictive Trade Practices Received by
“Controlled-in-Fact” Foreign Subsidiaries
October 2005 through September 2006
ALL TRANSACTIONS (Summary Totals)**

Appendix E-6(a) All Transactions

Country	Take Action	Refuse	Undecided	Total
UNITED KINGDOM				
Number of Requests	2	37	0	39
Dollar Amount (\$000)	0	115,327	0	115,327
FRANCE				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	0	2,886	0	2,886
GERMANY				
Number of Requests	0	3	0	3
Dollar Amount (\$000)	0	180	0	180
NETHERLANDS				
Number of Requests	1	9	0	10
Dollar Amount (\$000)	210,000	402	0	210,402
BELGIUM				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	0	210	0	210
SWITZERLAND				
Number of Requests	1	6	1	8
Dollar Amount (\$000)	470	49,469	0	49,939
CANADA				
Number of Requests	6	8	0	14
Dollar Amount (\$000)	4038	712	0	4751
ITALY				
Number of Requests	0	12	0	12
Dollar Amount (\$000)	0	238,082	0	238,082

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number of Individual Firms, Transactions, Requesting Documents and Restrictive Trade Practices Received by “Controlled-in-Fact” Foreign Subsidiaries October 2005 through September 2006 ALL TRANSACTIONS (Summary Totals)

Appendix E-6(a) All Transactions (continued)

OTHER EUROPEAN NATIONS				
Number of Requests	0	5	0	5
Dollar Amount (\$000)	0	482	0	482
OTHER ARAB NATIONS ¹				
Number of Requests	7	114	0	121
Dollar Amount (\$000)	2,066,413	2,405,194	0	4,471,607
ALL OTHER NATIONS				
Number of Requests	24	20	0	44
Dollar Amount (\$000)	1,938	5,700,763	0	5,702,701
TOTAL				
Number of Requests	41	222	1	264
Dollar Amount (\$000)	2,282,860	8,513,707	0	10,796,566

Footnotes:

¹ Includes Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Saudi Arabia, UAE, Qatar, and Yemen.

**Number of Requests of Individual Firms, Transactions, Requesting Documents
and Restrictive Trade Practices Received by
“Controlled-in-Fact” Foreign Subsidiaries
October 2005 through September 2006**

Appendix E-6(b) Prohibited Transactions

Country	Take Action	Refuse	Undecided	Total
UNITED KINGDOM				
Number of Requests	0	20	0	20
Dollar Amount (\$000)	0	109,577	0	109,577
FRANCE				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	473	0	473
GERMANY				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	180	0	180
NETHERLANDS				
Number of Requests	0	3	0	3
Dollar Amount (\$000)	0	274	0	274
BELGIUM				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	0	210	0	210
SWITZERLAND				
Number of Requests	0	5	0	5
Dollar Amount (\$000)	0	49,309	0	49,309
CANADA				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
ITALY				
Number of Requests	0	9	0	9
Dollar Amount (\$000)	0	202,937	0	202,937

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number of Requests of Individual Firms, Transactions, Requesting Documents and Restrictive Trade Practices Received by “Controlled-in-Fact” Foreign Subsidiaries October 2005 through September 2006

Appendix E-6(b) Prohibited Transactions (continued)

Country	Take Action	Refuse	Undecided	Total
OTHER EUROPEAN NATIONS				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	118	0	118
OTHER ARAB NATIONS ¹				
Number of Requests	0	65	0	65
Dollar Amount (\$000)	0	1,331,787	0	1,331,787
ALL OTHER NATIONS				
Number of Requests	2	9	0	11
Dollar Amount (\$000)	0	4,503,812	0	4,503,812
TOTAL				
Number of Requests	2	120	0	122
Dollar Amount (\$000)	0	6,198,677	0	6,198,677

Footnotes:

¹ Includes Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Saudi Arabia, UAE, Qatar, and Yemen.

**Number of Requests of Individual Firms, Transactions, Requesting Documents
and Restrictive Trade Practices Received by
“Controlled-in-Fact” Foreign Subsidiaries
October 2005 through September 2006**

Appendix E-6(c) Prohibited as First Received, but Amended

Country	Take Action	Refuse	Undecided	Total
UNITED KINGDOM				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	0	0	0
FRANCE				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
GERMANY				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	0	0	0
NETHERLANDS				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
BELGIUM				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
SWITZERLAND				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
CANADA				
Number of Requests	3	7	0	10
Dollar Amount (\$000)	2,282	712	0	2,994
ITALY				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number of Requests of Individual Firms, Transactions, Requesting Documents and Restrictive Trade Practices Received by “Controlled-in-Fact” Foreign Subsidiaries October 2005 through September 2006

Appendix E-6(c) Prohibited as First Received, but Amended (continued)

Country	Take Action	Refuse	Undecided	Total
OTHER EUROPEAN NATIONS				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	0	364	0	364
OTHER ARAB NATIONS ¹				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	4,005	0	4,005
ALL OTHER NATIONS				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
TOTAL				
Number of Requests	3	16	0	19
Dollar Amount (\$000)	2,282	5,081	0	7,363

Footnotes:

¹ Includes Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Saudi Arabia, UAE, Qatar, and Yemen.

**Number of Requests of Individual Firms, Transactions, Requesting Documents
and Restrictive Trade Practices Received by
“Controlled-in-Fact” Foreign Subsidiaries
October 2005 through September 2006**

Appendix E-6(d) Exceptions to Prohibitions

Country	Take Action	Refuse	Undecided	Total
UNITED KINGDOM				
Number of Requests	2	11	0	13
Dollar Amount (\$000)	0	1,949	0	1,949
FRANCE				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	2,259	0	2,259
GERMANY				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
NETHERLANDS				
Number of Requests	1	4	0	5
Dollar Amount (\$000)	210,000	20	0	210,020
BELGIUM				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
SWITZERLAND				
Number of Requests	1	0	1	2
Dollar Amount (\$000)	470	0	0	470
CANADA				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	0	0	0
ITALY				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	35,069	0	35,069

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number of Requests of Individual Firms, Transactions, Requesting Documents and Restrictive Trade Practices Received by “Controlled-in-Fact” Foreign Subsidiaries October 2005 through September 2006

Appendix E-6(d) Exceptions to Prohibitions (continued)

Country	Take Action	Refuse	Undecided	Total
OTHER EUROPEAN NATIONS				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
OTHER ARAB NATIONS ¹				
Number of Requests	4	35	0	39
Dollar Amount (\$000)	2,065,003	1,067,306	0	3,132,309
ALL OTHER NATIONS				
Number of Requests	22	10	0	32
Dollar Amount (\$000)	1,938	1,196,749	0	1,198,688
TOTAL				
Number of Requests	30	64	1	95
Dollar Amount (\$000)	2,277,411	2,303,353	0	4,580,765

Footnotes:

¹ Includes Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Saudi Arabia, UAE, Qatar, and Yemen.

**Number of Requests of Individual Firms, Transactions, Requesting Documents
and Restrictive Trade Practices Received by
“Controlled-in-Fact” Foreign Subsidiaries
October 2005 through September 2006**

Appendix E-6(e) Not Prohibited

Country	Take Action	Refuse	Undecided	Total
UNITED KINGDOM				
Number of Requests	0	4	0	4
Dollar Amount (\$000)	3,800	0	0	3,800
FRANCE				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	154	0	154
GERMANY				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
NETHERLANDS				
Number of Requests	0	2	0	2
Dollar Amount (\$000)	0	107	0	107
BELGIUM				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
SWITZERLAND				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	161	0	161
CANADA				
Number of Requests	3	0	0	3
Dollar Amount (\$000)	1,757	0	0	1,757
ITALY				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	76	0	76

Appendix E: Tables of Antiboycott Settlements and Reporting Data

Number of Requests of Individual Firms, Transactions, Requesting Documents and Restrictive Trade Practices Received by “Controlled-in-Fact” Foreign Subsidiaries October 2005 through September 2006

Appendix E-6(e) Not Prohibited (continued)

Country	Take Action	Refuse	Undecided	Total
OTHER EUROPEAN NATIONS				
Number of Requests	0	0	0	0
Dollar Amount (\$000)	0	0	0	0
OTHER ARAB NATIONS ¹				
Number of Requests	3	12	0	15
Dollar Amount (\$000)	1,410	2,097	0	3,506
ALL OTHER NATIONS				
Number of Requests	0	1	0	1
Dollar Amount (\$000)	0	201	0	201
TOTAL				
Number of Requests	6	22	0	28
Dollar Amount (\$000)	3,167	6,595	0	9,762

Footnotes:

¹ Includes Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Saudi Arabia, UAE, Qatar, and Yemen.



Appendix F

CCL	Description	Applications	Dollar Value
ALBANIA			
0A984	Shotguns, Buckshot, Shotgun Shells	3	\$1,156
1A004	Protective and Detection Equipment	1	\$1,402,638
1A005	Body Armor	1	\$5,850
1A985	Fingerprinting Powders, Dyes, and Inks	1	\$355,000
TOTAL APPLICATIONS: 6			
TOTAL CCL'S: 4			
TOTAL DOLLAR VALUE: \$1,764,644			

CCL	Description	Applications	Dollar Value
ARMENIA			
1A004	Protective and Detection Equipment	1	\$1,402,638
3A001	Electronic Devices/Components	2	\$6,786
3E001	Technology for Dev or Prod of Certain Items in 3A/	1	\$1
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$0
5D002	Software for Information Security	1	\$0
5E002	Technology for Dev/Prod/Use of Information Security	1	\$0
TOTAL APPLICATIONS: 5			
TOTAL CCL'S: 6			
TOTAL DOLLAR VALUE: \$1,409,425			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
AZERBAIJAN			
1A004	Protective and Detection Equipment	1	\$1,402,638
2B350	Chemical Manufacturing Facilities and Equipment	4	\$5,732
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	1	\$1
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$14,450
5D002	Software for Information Security	1	\$184
6A001	Acoustics	1	\$13,840,450
7A103	Instrumentation, Navigation Equipment/Systems Not	1	\$223,499
TOTAL APPLICATIONS: 9			
TOTAL CCL'S: 7			
TOTAL DOLLAR VALUE: \$15,486,954			

CCL	Description	Applications	Dollar Value
BELARUS			
1A004	Protective and Detection Equipment	1	\$9,600
2A983	Explosives or Detonator Detection Equipment	1	\$28,415
3A981	Polygraphs/Fingerprint Analyzers/Cameras/Equipment	1	\$8,995
3E001	Technology for Dev or Prod of Certain Items in 3A/	1	\$1
3E002	Other Technology for Items in Category 3	2	\$2
4D001	Software for Certain Equipment/Software in 4A-4D	1	\$1
4D002	Software to Support Technology Controlled by 4E	1	\$1
4D003	Specific Software, as Described in This Entry	1	\$1
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	2	\$2
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$8,190
5D001	Software for Dev/Prod/Use of Items in 5A001/5B001/	1	\$1
5D002	Software for Information Security	1	\$2
5E001	Technology for Dev/Prod/Use, Etc, of Equip. in 5A0	1	\$1
TOTAL APPLICATIONS: 6			
TOTAL CCL'S: 13			
TOTAL DOLLAR VALUE: \$55,212			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
BULGARIA			
0A982	Thumbcuffs, Leg Irons and Shackles	2	\$244,600
0A985	Discharge Type Arms	1	\$60,000
1A004	Protective and Detection Equipment	1	\$1,402,638
1A985	Fingerprinting Powders, Dyes, and Inks	1	\$3,014,000
1C351	Human Pathogens, Zoonoses, and Toxins	1	\$834
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$7,075
5A992	Information Security Equipment	1	\$7,495
5D002	Software for Information Security	2	\$11,449
5E002	Technology for Dev/Prod/Use of Information Security	1	\$1,000
6A003	Cameras	1	\$6,638
9A018	Commodities on the International Munitions List	2	\$306,358
TOTAL APPLICATIONS: 11			
TOTAL CCL'S: 11			
TOTAL DOLLAR VALUE: \$5,062,087			

CCL	Description	Applications	Dollar Value
CAMBODIA			
3A002	General Purpose Electronic Equipment	1	\$30,692
TOTAL APPLICATIONS: 1			
TOTAL CCL'S: 1			
TOTAL DOLLAR VALUE: \$30,692			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
CHINA			
EAR99	Items Subject to the Ear N.E.S.	6	\$69,662
0A982	Thumbcuffs, Leg Irons and Shackles	1	\$392
0A984	Shotguns, Buckshot, Shotgun Shells	1	\$204,000
0A987	Optical Sighting Devices for Firearms	11	\$499,286
1A001	Components Made From Fluorinated Compounds	5	\$44,435
1A004	Protective and Detection Equipment	6	\$21,997
1A985	Fingerprinting Powders, Dyes, and Inks	1	\$76
1B119	Fluid Energy Mills	3	\$504,866
1B225	Electrolyticcells for Fluorine Production	1	\$756,000
1C003	Magnetic Metals	2	\$10,914,000
1C006	Fluids and Lubricating Materials	1	\$100
1C008	Non-fluorinated Polymeric Substances	6	\$8,539,964
1C010	Fibrous/Filamentary Materials Used in Matrix Struc	13	\$12,154,080
1C107	Graphite and Ceramic Materials	1	\$8,000,000
1C202	Aluminum and Titanium Alloys in the Form of Tubes/	7	\$8,041,405
1C210	Fibrous/Filamentary Materials Not Controlled by 1C	4	\$19,256,039
1C227	Calcium Containing Boron and Other Impurities	2	\$238
1C230	Beryllium	4	\$207,119
1C231	Hafnium	7	\$175,512
1C234	Zirconium, With a Hafnium Content	4	\$858,790
1C350	Chemicals, Precursors for Toxic Chemical Agents	41	\$33,255,252
1C351	Human Pathogens, Zoonoses, and Toxins	19	\$9,198
1C352	Animal Pathogens	3	\$5,200
1C981	Crude Petroleum/Tar Sands/Crude Shale	1	\$11,159,200
1C990	Fibrous and Filamentary Materials	1	\$255,503
1C991	Vaccines, Immunotoxins and Medical Products	1	\$250
1E001	Technology for Development of Equipment Under 1A00	23	\$3,469,016
1E002	Other Technology	5	\$5
1E201	Technology for Use of 1A002,1A202,1A225 to 1B225	5	\$1,000,004
1E351	Technology for Use of Microbiological Materials	1	\$500,000
2A226	Valves Not Controlled by 0B001	1	\$0
2A292	Piping/Fittings/Valves Made/Lined With Named Alloy	1	\$0
2A983	Explosives or Detonator Detection Equipment	43	\$16,633,298
2B001	Numerical Control Units/Motion Control Boards	17	\$9,362,513
2B006	Dimensional Inspection/Measuring Systems or Equipm	9	\$517,777

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
CHINA (CONTINUED)			
2B008	Assemblies/Units/Inserts for Machine Tools in 2B00	1	\$100,992
2B201	Machine Tools for Removing or Cutting Metals	2	\$270,885
2B226	Vacuum and Controlled Environment Induction Furnac	1	\$1,730,000
2B227	Vacuum and Controlled Atmosphere Melting/casting F	1	\$25,000
2B230	Pressure Transducers	50	\$6,668,631
2B231	Vacuum Pumps	4	\$153,610
2B290	Numerical Control Units/Machine Tools Not CNT by 2	1	\$27,300
2B350	Chemical Manufacturing Facilities and Equipment	222	\$34,940,274
2B351	Toxic Gas Monitoring Systems & Dedicated Detectors	33	\$3,370,425
2B352	Equipment for Handling Biological Materials	41	\$4,314,501
2D002	Adaptive Control/Electronic Device Software	6	\$9,388,175
2D983	Equipment Controlled by 2A983	5	\$5
2E001	Technology Supporting Equipment/software in 2A/2B/	5	\$5
2E002	Technology Supporting Equipment/production in 2A/2	3	\$3
2E003	Other Technology	3	\$3
2E201	Technology for Use of Commodities Controlled by 2A	1	\$1
2E301	Technology for Use of Commodities Controlled by 2B	6	\$1,008,005
2E983	Software Controlled by 2D983	7	\$125,413
3A001	Electronic Devices/Components	46	\$29,132,715
3A002	General Purpose Electronic Equipment	15	\$1,220,716
3A201	Electronic Components Not Controlled by 3A001	1	\$205,147
3A225	Inverters/Converters/Frequency Changers/Generators	2	\$297,416
3A229	Firing Sets and High Current Pulse Generators	1	\$1,840,000
3A230	High Speed Pulse Generators	2	\$33,450
3A231	Neutron Generator Systems Including Tubes	6	\$4,757,500
3A232	Detonators/Multipoint Initiation Systems	1	\$750,000
3A233	Mass Spectrometers	24	\$3,408,920
3A992	General Purpose Electronic Equipment	3	\$88,630
3B001	Epitaxial Equipment for Semiconductors	84	\$486,260,746
3C002	Resist Materials	19	\$5,577,100
3C003	Organo-inorganic Compounds Described in this Entry	10	\$6,684,700
3C004	Hydrides of Phosphorus, Arsenic, or Antimony	34	\$30,216,071
3D001	Software for Dev or Prod of Equip Certain Items in	1	\$1
3D002	Software for Use of Certain Equipment Controlled B	4	\$400,003
3D003	Cad Software for Semiconductor Devices/Integrated	12	\$12

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
CHINA (CONTINUED)			
3D991	General Purpose Electronic Equipment for 3A992	2	\$51,564
3E001	Technology for Dev or Prod of Certain Items in 3A/	207	\$6,807,278
3E002	Other Technology for Items in Category 3	215	\$1,556,108,107
3E201	Technology for the Use of Certain Items in 3A	1	\$12,800
3E991	Manufacturing and Test Equipment for 3B991/92	3	\$388
4A003	Digital Computers/Assemblies and Related Equipment	6	\$23,515,364
4D001	Software for Certain Equipment/Software in 4A-4D	103	\$103
4D002	Software to Support Technology Controlled by 4E	99	\$99
4D003	Specific Software, as Described in this Entry	99	\$99
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	131	\$130
5A002	Systems/Equipment/Integrated Circuits for Info Sec	56	\$8,961,375
5A991	Transmission Items Not W/I Parameters in 5A001	18	\$5,561,768
5A992	Information Security Equipment	1	\$406,070
5D001	Software for Dev/Prod/Use of Items in 5A001/5B001/	98	\$97
5D002	Software for Information Security	57	\$660,940
5D991	Software for Dev/Prod/Use With 5B994 Test Equipmen	2	\$64,352
5E001	Technology for Dev/Prod/Use, Etc, of Equip. in 5A0	312	\$751,026
5E002	Technology for Dev/Prod/Use of Information Security	54	\$1,250,070
6A001	Acoustics	5	\$7,128,721
6A002	Optical Sensors	1	\$49,611
6A003	Cameras	29	\$844,970
6A005	Optical Equipment (Lasers)	3	\$44,646
6A006	Magnetometers/Magnetic Gradiometers/Compensation S	3	\$135,750
6A007	Gravity Meters (Gravimeters)/Gravity Gradiometers	1	\$369,913
6A203	Cameras/Components Not Controlled by ECCN 6A003	5	\$338,800
6E001	Technology for Development of Equipment/materials/	5	\$5
7A101	Accelerometers, Other Than Those in 7A001	1	\$69,120
7A103	Instrumentation, Navigation Equipment/systems Not	36	\$8,987,492
7D003	Other Software	1	\$1
7D101	Software for Commodities Controlled by 7A001/004,	2	\$75,500
7E004	Other Technology	2	\$28,000,001
7E101	Technology for Equipment/Software Controlled by 7A	5	\$1,300
9B002	on-line Control Systems for Gas Turbine Engines	2	\$2
9D001	Software for Dev of Certain Equip/Technology in 9A	1	\$1
9D003	Software for Use of Fadec for Certain Propulsion S	1	\$1

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
CHINA (CONTINUED)			
9D004	Software for Vibration Test Equipment	1	\$1
9E002	Technology for Prod of Equipment in 9A001.C or 9B	1	\$1
9E003	Other Technology	6	\$1,005
9E018	Technology for Dev/Prod/Use of Items in 9A018	1	\$999
TOTAL APPLICATIONS: 1538			
TOTAL CCL'S: 109			
TOTAL DOLLAR VALUE: \$2,429,611,002			

CCL	Description	Applications	Dollar Value
CUBA			
EAR99	Items Subject to the Ear N.E.S.	375	\$2,913,781,574
4A994	Items Not Controlled by 4A001/4A002/4A003	6	\$107,432
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$5,995
5A991	Transmission Items Not W/I Parameters in 5A001	4	\$33,360
5A992	Information Security Equipment	1	\$675
5D992	Software Not Controlled by 5D002	3	\$152
7A103	Instrumentation, Navigation Equipment/Systems Not	1	\$7,481
7A994	Other Navigation/Airborne Communication Equipment	1	\$80,000
8A992	Underwater Systems or Equipment	34	\$2
9A991	Aircraft and Certain Gas Turbine Engines N.E.S.	10	\$6,258,002
9D991	Software for Dev/Prod of Aircraft/Components in 9A	1	\$0
9E991	Technology for the Dev/Prod/Use With Items in 9A99	1	\$0
TOTAL APPLICATIONS: 424			
TOTAL CCL'S: 12			
TOTAL DOLLAR VALUE: \$2,920,274,673			

CCL	Description	Applications	Dollar Value
ESTONIA			
1A004	Protective and Detection Equipment	1	\$1,402,638
1C351	Human Pathogens, Zoonoses, and Toxins	1	\$75
1E001	Technology for Development of Equipment Under 1A00	1	\$1,000
6A003	Cameras	3	\$53,200
TOTAL APPLICATIONS: 6			
TOTAL CCL'S: 4			
TOTAL DOLLAR VALUE: \$1,456,913			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
GEORGIA			
0A982	Thumbcuffs, Leg Irons and Shackles	1	\$171
0A984	Shotguns, Buckshot, Shotgun Shells	1	\$30,000
1A004	Protective and Detection Equipment	1	\$1,402,638
3E001	Technology for Dev or Prod of Certain Items in 3A/	1	\$1
3E002	Other Technology for Items in Category 3	1	\$1
4D001	Software for Certain Equipment/Software in 4A-4D	1	\$1
4D002	Software to Support Technology Controlled by 4E	1	\$1
4D003	Specific Software, as Described in This Entry	1	\$1
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	1	\$1
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$29,970
5D001	Software for Dev/Prod/Use of Items in 5A001/5B001/	1	\$1
5D002	Software for Information Security	1	\$18
5E001	Technology for Dev/Prod/Use, Etc, of Equip. in 5A0	1	\$1
TOTAL APPLICATIONS: 5			
TOTAL CCL'S: 13			
TOTAL DOLLAR VALUE: \$1,462,805			

CCL	Description	Applications	Dollar Value
KAZAKHSTAN			
0A987	Optical Sighting Devices for Firearms	3	\$192,704
1A004	Protective and Detection Equipment	1	\$1,402,638
1A985	Fingerprinting Powders, Dyes, and Inks	2	\$455,000
1C350	Chemicals, Precursors for Toxic Chemical Agents	1	\$28,000,000
2B350	Chemical Manufacturing Facilities and Equipment	6	\$139,209
2B351	Toxic Gas Monitoring Systems & Dedicated Detectors	1	\$112,028
3A002	General Purpose Electronic Equipment	1	\$48,000
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	1	\$1
5A002	Systems/Equipment/Integrated Circuits for Info Sec	2	\$1,321,833
5A991	Transmission Items Not W/I Parameters in 5A001	1	\$225,500
5D002	Software for Information Security	2	\$66,123
6A003	Cameras	2	\$69,000
6A006	Magnetometers/Magnetic Gradiometers/Compensation S	1	\$52,000
TOTAL APPLICATIONS: 21			
TOTAL CCL'S: 13			
TOTAL DOLLAR VALUE: \$32,084,036			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
KOREA DEMOCRATIC PEOPLE'S REPUBLIC			
5A991	Transmission Items Not W/I Parameters in 5A001	1	\$213,919
5D992	Software Not Controlled by 5D002	1	\$3,600
TOTAL APPLICATIONS: 1			
TOTAL CCL'S: 2			
TOTAL DOLLAR VALUE: \$217,519			

CCL	Description	Applications	Dollar Value
KYRGYZSTAN			
TOTAL APPLICATIONS: 0			
TOTAL CCL'S: 0			
TOTAL DOLLAR VALUE: \$0			

CCL	Description	Applications	Dollar Value
LAOS			
TOTAL APPLICATIONS: 0			
TOTAL CCL'S: 0			
TOTAL DOLLAR VALUE: \$0			

CCL	Description	Applications	Dollar Value
LATVIA			
0A982	Thumbcuffs, Leg Irons and Shackles	1	\$4,200
0A985	Discharge Type Arms	1	\$30,000
1A004	Protective and Detection Equipment	1	\$1,402,638
1E001	Technology for Development of Equipment Under 1A00	1	\$1,000
3A002	General Purpose Electronic Equipment	1	\$61,384
6A003	Cameras	4	\$389,921
TOTAL APPLICATIONS: 9			
TOTAL CCL'S: 6			
TOTAL DOLLAR VALUE: \$1,889,143			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
LITHUANIA			
0A985	Discharge Type Arms	1	\$56,500
1A004	Protective and Detection Equipment	1	\$1,402,638
1B101	Other Equipment for Production of Fibers/Preforms/	1	\$320,000
1E001	Technology for Development of Equipment Under 1A00	1	\$1,000
6A003	Cameras	7	\$1,121,143
9A018	Commodities on the International Munitions List	1	\$207,950
TOTAL APPLICATIONS: 12			
TOTAL CCL'S: 6			
TOTAL DOLLAR VALUE: \$3,109,231			

CCL	Description	Applications	Dollar Value
MOLDOVA			
1A004	Protective and Detection Equipment	1	\$1,402,638
2B350	Chemical Manufacturing Facilities and Equipment	1	\$554
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$14,395
5D002	Software for Information Security	1	\$1
6A003	Cameras	1	\$195,360
TOTAL APPLICATIONS: 4			
TOTAL CCL'S: 5			
TOTAL DOLLAR VALUE: \$1,612,948			

CCL	Description	Applications	Dollar Value
MONGOLIA			
TOTAL APPLICATIONS: 0			
TOTAL CCL'S: 0			
TOTAL DOLLAR VALUE: \$0			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
ROMANIA			
0A979	Police Helmets, Shields and Parts	1	\$14,092
0A985	Discharge Type Arms	1	\$990
1A001	Components Made From Fluorinated Compounds	1	\$65,000
1A004	Protective and Detection Equipment	1	\$1,402,638
1C006	Fluids and Lubricating Materials	1	\$1,440,000
2A983	Explosives or Detonator Detection Equipment	1	\$400,000
2B351	Toxic Gas Monitoring Systems & Dedicated Detectors	1	\$36,390
2E003	Other Technology	2	\$21
3A001	Electronic Devices/Components	1	\$24,500
3E001	Technology for Dev or Prod of Certain Items in 3A/	2	\$1
3E002	Other Technology for Items in Category 3	1	\$1
4D001	Software for Certain Equipment/Software in 4A-4D	2	\$2
4D002	Software to Support Technology Controlled by 4E	1	\$1
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	3	\$3
5A002	Systems/Equipment/Integrated Circuits for Info Sec	7	\$555,568
5A992	Information Security Equipment	1	\$10,485
5D001	Software for Dev/Prod/Use of Items in 5A001/5B001/	1	\$1
5D002	Software for Information Security	5	\$5,899
5E001	Technology for Dev/Prod/Use, Etc, of Equip. in 5A0	1	\$1
6A003	Cameras	1	\$20,000
9E003	Other Technology	3	\$22
TOTAL APPLICATIONS: 25			
TOTAL CCL'S: 21			
TOTAL DOLLAR VALUE: \$3,975,615			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
RUSSIA FEDERATION			
EAR99	Items Subject to the Ear N.E.S.	25	\$2,299,904
0A982	Thumbcuffs, Leg Irons and Shackles	2	\$65,065
0A984	Shotguns, Buckshot, Shotgun Shells	6	\$262,675
0A986	Shotgun Shells (Except Buckshot Shells) and Parts	1	\$720
0A987	Optical Sighting Devices for Firearms	19	\$3,435,911
0D999	Specific Software	1	\$1,000
1A001	Components Made From Fluorinated Compounds	1	\$100,000
1A005	Body Armor	1	\$5,000
1A985	Fingerprinting Powders, Dyes, and Inks	2	\$3,514,000
1A999	Specific Processing Equipment, N.E.S.	1	\$206,892
1C008	Non-fluorinated Polymeric Substances	1	\$1,875,150
1C232	Helium-3 or Helium Isotopically Enriched in the HE	1	\$352,070
1C350	Chemicals, Precursors for Toxic Chemical Agents	1	\$27,000
1C351	Human Pathogens, Zoonoses, and Toxins	3	\$5,280
1E001	Technology for Development of Equipment Under 1A00	3	\$1
1E101	Technology for Development of Equipment Under 1A10	3	\$1
2A291	Nuclear Reactor and Nuclear Power Plant Related Eq	1	\$200,000
2A983	Explosives or Detonator Detection Equipment	9	\$7,895,500
2B001	Numerical Control Units/Motion Control Boards	1	\$85,000
2B350	Chemical Manufacturing Facilities and Equipment	9	\$10,699,321
2B351	Toxic Gas Monitoring Systems & Dedicated Detectors	2	\$121,255
2B352	Equipment for Handling Biological Materials	2	\$203,659
2D983	Equipment Controlled by 2A983	2	\$4,250,000
2E001	Technology Supporting Equipment/Software in 2A/2B/	2	\$2
2E002	Technology Supporting Equipment/Production in 2A/2	2	\$2
2E290	Technology for Use of Commodities Controlled by 2A	2	\$1
2E301	Technology for Use of Commodities Controlled by 2B	1	\$1
2E983	Software Controlled by 2D983	2	\$0
3A001	Electronic Devices/Components	45	\$998,214
3A002	General Purpose Electronic Equipment	9	\$443,721
3A101	Electronic Equipment/Devices Not Controlled by 3A0	6	\$3,166,920
3A233	Mass Spectrometers	1	\$510,000
3A981	Polygraphs/Fingerprint Analyzers/Cameras/Equipment	2	\$29,750
3A991	Electronic Devices and Components	1	\$120,000
3A992	General Purpose Electronic Equipment	8	\$175,397

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
RUSSIA FEDERATION (CONTINUED)			
3A999	Specific Processing Equipment, N.E.S.	1	\$40,000
3B001	Epitaxial Equipment for Semiconductors	1	\$1,898,500
3B992	Equipment for the Inspection/Testing of Components	1	\$900,000
3D001	Software for Dev or Prod of Equip Certain Items in	2	\$47
3D002	Software for Use of Certain Equipment Controlled B	1	\$22
3D003	Cad Software for Semiconductor Devices/Integrated	1	\$1
3D991	General Purpose Electronic Equipment for 3A992	1	\$2,656
3E001	Technology for Dev or Prod of Certain Items in 3A/	9	\$57
3E002	Other Technology for Items in Category 3	5	\$5
3E003	Other "Technology"	1	\$1
3E101	Technology for the Use of Certain Items in 3A001 &	1	\$50
3E201	Technology for the Use of Certain Items in 3A	2	\$5,001
4A003	Digital Computers/Assemblies and Related Equipment	2	\$11,681,056
4A980	Computers for Fingerprint Equipment, N.E.S.	1	\$27,500
4A994	Items Not Controlled by 4A001/4A002/4A003	6	\$766,123
4D001	Software for Certain Equipment/Software in 4A-4D	2	\$2
4D002	Software to Support Technology Controlled by 4E	2	\$2
4D003	Specific Software, as Described in this Entry	2	\$2
4D980	Software for Dev/Prod/Use With 4A980 Items	2	\$120,300
4D994	Software for Dev/Prod/Use of Items in 4A994/4B994/	1	\$1,200
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	5	\$5
4E992	Technology for Dev/Prod/Use of 4A994/4B994/4C994	1	\$100
5A002	Systems/Equipment/Integrated Circuits for Info Sec	18	\$4,859,554
5A991	Transmission Items Not W/i Parameters in 5A001	5	\$145,441
5A992	Information Security Equipment	1	\$10,000
5D001	Software for Dev/Prod/Use of Items in 5A001/5B001/	4	\$4
5D002	Software for Information Security	24	\$122,865
5D992	Software Not Controlled by 5D002	3	\$7,705
5E001	Technology for Dev/Prod/Use, Etc, of Equip. in 5A0	8	\$10
5E002	Technology for Dev/Prod/Use of Information Security	8	\$9
6A001	Acoustics	4	\$3,096,080
6A002	Optical Sensors	2	\$1,206,464
6A003	Cameras	100	\$1,853,211
6A006	Magnetometers/Magnetic Gradiometers/Compensation S	3	\$97,000
6E001	Technology for Development of Equipment/Materials/	1	\$1

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
RUSSIA FEDERATION (CONTINUED)			
6E002	Technology for Production of Equipment/Materials I	1	\$1
7A103	Instrumentation, Navigation Equipment/Systems Not	4	\$18,373,035
7D003	Other Software	2	\$0
7E001	Technology for Development of Eq. Controlled by 7A	3	\$0
7E004	Other Technology	2	\$0
7E101	Technology for Equipment/Software Controlled by 7A	1	\$0
7E994	Other Technology Related to Navigation or Avionics	1	\$5,000
9A004	Spacecraft	2	\$893,877
9A018	Commodities on the International Munitions List	7	\$1,758,599
9D003	Software for Use of Fadec for Certain Propulsion S	2	\$1,000
9E001	Technology for Dev of Equipment or Software in 9A/	3	\$3
9E002	Technology for Prod of Equipment in 9A001.C or 9B	1	\$1
9E003	Other Technology	1	\$1
TOTAL APPLICATIONS: 339			
TOTAL CCL'S: 83			
TOTAL DOLLAR VALUE: \$88,921,903			

CCL	Description	Applications	Dollar Value
TAJIKISTAN			
0A979	Police Helmets, Shields and Parts	1	\$24,200
0A982	Thumbcuffs, Leg Irons and Shackles	1	\$50,100
1A985	Fingerprinting Powders, Dyes, and Inks	2	\$63,773
TOTAL APPLICATIONS: 3			
TOTAL CCL'S: 3			
TOTAL DOLLAR VALUE: \$138,073			

CCL	Description	Applications	Dollar Value
TURKMENISTAN			
6A003	Cameras	2	\$34,020
TOTAL APPLICATIONS: 2			
TOTAL CCL'S: 1			
TOTAL DOLLAR VALUE: \$34,020			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
UKRAINE			
0A984	Shotguns, Buckshot, Shotgun Shells	6	\$311,867
0A985	Discharge Type Arms	2	\$120,000
0A986	Shotgun Shells (Except Buckshot Shells) and Parts	2	\$75,796
0A987	Optical Sighting Devices for Firearms	7	\$374,391
1A004	Protective and Detection Equipment	1	\$1,402,638
1C107	Graphite and Ceramic Materials	1	\$75,398
1C111	Propellants and Constituent Chemicals	1	\$19,350
2B352	Equipment for Handling Biological Materials	1	\$24,000
2D983	Equipment Controlled by 2A983	1	\$1
2E983	Software Controlled by 2D983	1	\$1
3A001	Electronic Devices/Components	2	\$2,097
3A981	Polygraphs/Fingerprint Analyzers/Cameras/Equipment	16	\$428,400
3E001	Technology for Dev or Prod of Certain Items in 3A/	3	\$3
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	2	\$2
5A002	Systems/Equipment/Integrated Circuits for Info Sec	1	\$29,184
5D002	Software for Information Security	2	\$36,002
6A003	Cameras	4	\$92,467
6E001	Technology for Development of Equipment/Materials/	1	\$1
6E201	Technology for Equipment Controlled by 6A003,6A005	1	\$1
9E003	Other Technology	1	\$1
TOTAL APPLICATIONS: 50			
TOTAL CCL'S: 20			
TOTAL DOLLAR VALUE: \$2,991,600			

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
UZBEKISTAN			
0A982	Thumbcuffs, Leg Irons and Shackles	1	\$90
1A004	Protective and Detection Equipment	1	\$1,402,638
1C234	Zirconium, With a Hafnium Content	1	\$2,700
1C350	Chemicals, Precursors for Toxic Chemical Agents	1	\$2,000,000
2B001	Numerical Control Units/Motion Control Boards	1	\$175,000
3A231	Neutron Generator Systems Including Tubes	1	\$130,000
6A003	Cameras	2	\$19,600
TOTAL APPLICATIONS: 8			
TOTAL CCL'S: 7			
TOTAL DOLLAR VALUE: \$3,730,028			

CCL	Description	Applications	Dollar Value
VIETNAM			
0A979	Police Helmets, Shields and Parts	3	\$299,775
0A982	Thumbcuffs, Leg Irons and Shackles	1	\$65,000
0A985	Discharge Type Arms	1	\$46,500
0A987	Optical Sighting Devices for Firearms	1	\$8,450
1A985	Fingerprinting Powders, Dyes, and Inks	3	\$3,109,632
1C231	Hafnium	1	\$69,401
1C234	Zirconium, With a Hafnium Content	1	\$339
1C350	Chemicals, Precursors for Toxic Chemical Agents	1	\$180,000
1C351	Human Pathogens, Zoonoses, and Toxins	1	\$304
2B230	Pressure Transducers	1	\$972
2B350	Chemical Manufacturing Facilities and Equipment	5	\$253,935
2E003	Other Technology	1	\$750,000
3A002	General Purpose Electronic Equipment	1	\$47,831
3A231	Neutron Generator Systems Including Tubes	1	\$91,385
3A232	Detonators/Multipoint Initiation Systems	1	\$21,000
3A233	Mass Spectrometers	2	\$331,582
3A980	Voice Print Identification and Analysis Equipment	1	\$46,100
3A981	Polygraphs/Fingerprint Analyzers/Cameras/Equipment	3	\$163,825
3A991	Electronic Devices and Components	1	\$30,000
3B001	Epitaxial Equipment for Semiconductors	1	\$835,000
3D980	Software for Dev/Prod/Use of Items in 3A980 and 3A	2	\$20,000

Appendix F: Approved Applications for Country Group D:1 and Cuba

CCL	Description	Applications	Dollar Value
VIETNAM (CONTINUED)			
3E001	Technology for Dev or Prod of Certain Items in 3A/	1	\$1
3E002	Other Technology for Items in Category 3	2	\$2
4D001	Software for Certain Equipment/Software in 4A-4D	1	\$1
4D002	Software to Support Technology Controlled by 4E	1	\$1
4D003	Specific Software, as Described in this Entry	1	\$1
4E001	Technology for Dev/Prod/Use of Certain Equip/Softw	1	\$1
5A002	Systems/Equipment/Integrated Circuits for Info Sec	6	\$121,096
5A991	Transmission Items Not W/I Parameters in 5A001	3	\$105,521
5A992	Information Security Equipment	2	\$7,390
5D001	Software for Dev/Prod/Use of Items in 5A001/5B001/	1	\$1
5D002	Software for Information Security	8	\$10,011
5E001	Technology for Dev/Prod/Use, Etc, of Equip. in 5A0	5	\$10
5E002	Technology for Dev/Prod/Use of Information Security	2	\$2
6A003	Cameras	3	\$26,446
6A005	Optical Equipment (Lasers)	1	\$115,190
6A006	Magnetometers/Magnetic Gradiometers/Compensation S	1	\$20,000
7A103	Instrumentation, Navigation Equipment/Systems Not	1	\$211,989
9A018	Commodities on the International Munitions List	1	\$593,500
TOTAL APPLICATIONS: 52			
TOTAL CCL'S: 39			
TOTAL DOLLAR VALUE: \$7,582,194			



Appendix G: Report on Domestic Impact of U.S. Exports to Controlled Countries

In accordance with Section 14(e) of the Export Administration Act of 1979 (EAA), as amended, the Bureau of Industry and Security (BIS) continues to assess the impact on U.S. industry and employment of output from “controlled countries”¹ resulting, in particular, from the use of U.S. exports of turnkey plants and manufacturing facilities.

Section 14(e), which was added as an amendment to the Act in 1985, requires the following:

“...a detailed description of the extent of injury to U.S. industry and the extent of job displacement caused by U.S. exports of goods and technology to controlled countries.”

“...a full analysis of the consequences of exports of turnkey plants and manufacturing facilities to controlled countries...to produce goods for export to the United States or compete with U.S. products in export markets.”

Goods and Technology Exports

Historically, the dollar value of trade with controlled destinations has been low. In calendar year 2005, U.S. exports to these countries totaled \$51 billion, which represents an increase of \$10 billion from 2004 levels, and about 6 percent of total U.S. exports. China is the largest single export market within the controlled country group, with roughly 82 percent of the total. Russia ranks second with roughly 8 percent of the total. An analysis of exports by commodity category indicates that capital goods

items, including machinery and transportation equipment, represented about half of the total U.S. exports to controlled countries, especially China. Given the small share of U.S. exports to controlled countries relative to total U.S. exports (5.7%), the overall adverse impact through injury to U.S. industry and job displacement is probably minimal.

Controlled Destination	Calendar Year 2005 U.S. Exports (in millions of dollars)
Albania	\$18.5
Armenia	\$65.4
Azerbaijan	\$132.3
Belarus	\$34.9
Cambodia	\$69.5
China	\$41,836.5
Cuba	\$361.5
Georgia	\$211.5
Iraq	\$1,372.2
Kazakhstan	\$538.3
Kyrgyzstan	\$30.9
Laos	\$9.8
Macao	\$101.6
Moldova	\$40.1
Mongolia	\$21.8
North Korea	\$5.8
Russia	\$3,942.3

1. For the purpose of this section, “controlled countries” are: Albania; Armenia; Azerbaijan; Belarus; Cambodia; China (PRC); Cuba; Georgia; Iraq; Kazakhstan; Kyrgyzstan; Laos; Macao; Moldova; Mongolia; North Korea; Russia; Tajikistan; Turkmenistan; Ukraine; Uzbekistan; and Vietnam.

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Tajikistan	\$28.8
Turkmenistan	\$237.1
Ukraine	\$531.7
Uzbekistan	\$73.6
Vietnam	\$1,191.8
TOTAL, CONTROLLED DESTINATIONS	\$51,216.9
TOTAL, U.S. EXPORTS WORLDWIDE	\$904,379.8
U.S. Exports to Controlled Destinations as a Percent of Overall U.S. Exports	5.7%
Percent of U.S. Exports to Controlled Destinations Subject to a BIS License Requirement	1.7%

Although the bases for BIS's export controls are national security, foreign policy, and short supply, BIS, as part of its defense industrial base monitoring responsibilities, reviews, on an ongoing basis, the potential impact of U.S. technology exports. U.S. and other Western firms choose to establish production facilities in China for a variety of reasons, including technology transfer requirements, the ability to take advantage of China's large pool of labor, proximity to the market for Chinese products, and business incentives created by Chinese local and national governments. The United States runs a trade deficit with China (\$201.5 billion in 2005), and more than 50 percent of China's exports originate from foreign-invested enterprises. Thus, these practices and trends raise concerns with regard to their impact on the competitiveness of U.S. industry and employment over the long term.

A review of export licenses applied for China in the past fiscal years shows that a significant number involve exports of components, manufacturing equipment, and/or technology for use in foreign-invested production facilities. Among the components being exported (for incorporation into products manufactured in China) are fibrous materials, aircraft bearings, microprocessors for personal computers, and aluminum forgings. Examples of equip-

ment are vacuum measurement equipment, semiconductor production and test equipment, milling machines, and oscilloscopes. Many other types of components, equipment, and technology are doubtless exported without the need for an export license (i.e., because they are not controlled for national security reasons or are eligible for shipment under a license exception).

BIS also monitors certain forms of technology exports as part of its overall responsibilities for the defense industrial base. These responsibilities include reviewing the impact of offsets on defense trade, participating in the Treasury Department-chaired Committee on Foreign Investment in the United States and assessing the health and competitiveness of strategic industry sectors. Further information on these activities, including copies of the industrial sector assessments, is available from BIS's webpage at www.bis.doc.gov/OSIES/.

Turnkey Plants and Facilities Exports

The Export Administration Regulations (EAR) require a license to export certain items for turnkey plants and facilities to controlled destinations. As a result of several revisions to the EAR in recent years, an increasing number of items for turnkey plants and facilities have become eligible for export to controlled destinations either without a license or under a license exception. For example, a license is generally not required for exports to controlled destinations (except Cuba, Sudan, Syria, and Iran) of items for turnkey plants and facilities that are classified as EAR99 (the designation for items that are subject to the EAR but not specifically listed on the Commerce Control List). In addition, certain items for turnkey plants and facilities may be listed in a Commerce Control List entry where the applicable reason for control does not require a license to one or more controlled destinations, as indicated in the appropriate Reason for Control column of the Commerce Country Chart. Other items for turnkey plants and facilities may be eligible for export to controlled destinations under a license exception, such as License Exception CIV, which authorizes exports of certain national security controlled items to civil end-users, for civil end-uses, in most controlled countries, except Cuba and North Korea, or License Exception TSU, which

Appendix G: Report on Domestic Impact of U.S. Exports to Controlled Countries

authorizes exports of operation technology and software, sales technology, and software updates, subject to certain conditions.

U.S. export data that is available from the Bureau of the Census does not provide the level of specificity needed to identify exports of turnkey plants or items for turnkey plants and facilities. This fact precludes a thorough as-

essment of the impact of U.S. exports of items for turnkey plants and facilities to controlled countries. However, the small number of such exports in the past, coupled with the low percentage of U.S. exports destined for controlled countries and items subject to a license requirement, make it reasonable to conclude that the ultimate impact on U.S. production is insignificant.



Appendix H: Agricultural Supply Tables and Information

*Note: All data for this appendix was provided by the
U.S. Department of Agriculture (USDA) and was valid as of December 11, 2006.*

*There are three ways to access updated World Agricultural
Supply and Demand Estimates (WASDE) report:*

<http://www.usda.gov/oce/commodity/wasde>

PDF File: <http://www.usda.gov/oce/commodity/wasde/latest.pdf>

Text File: <http://www.usda.gov/oce/commodity/wasde/latest.txt>

WASDE-441 December 11, 2006

WHEAT: Projected U.S. wheat ending stocks for 2006/07 are raised 20 million bushels this month. Exports are lowered 25 million bushels reflecting the slow pace of shipments and sales and increased competition from higher world production and supplies. A 5-million-bushel increase in food use based on the most recent mill grind data from the U.S. Bureau of the Census partly offsets lowered exports. The price range is lowered 10 cents on the top end of the range to \$4.15 to \$4.45 per bushel.

Global 2006/07 wheat production is raised to 589 million tons, up 2 million from last month. Increases in Argentina and Canada more than offset a reduction in Brazil. Argentina's production is raised 1 million tons based on early yield reports. Production for Canada is raised 1 million tons based on the most recent estimates from Statistics Canada. Brazil production is lowered 0.3 million tons this month as earlier frost damage curtailed yields for this year's crop.

Global ending stocks for 2006/07 are raised to 121 million tons, up 2 million tons and in line with the rise in world output. Larger ending stocks in Canada and the United States account for most of the increase. Global

trade and consumption are both raised slightly, but a small increase in beginning stocks is nearly offsetting. Higher exports by Argentina more than offset the reduction in U.S. exports.

COARSE GRAINS: U.S. corn, sorghum, and oats supply and use projections for 2006/07 are all unchanged this month. Barley exports for 2006/07 are raised 5 million bushels reflecting the pace of export shipments and sales for the marketing year. Barley ending stocks are lowered correspondingly. Corn and sorghum prices are both raised 10 cents on both ends of their respective ranges to \$2.90 to \$3.30 per bushel. Barley and oats prices are unchanged.

Global 2006/07 coarse grain production is raised to 969 million tons, up 4.5 million tons from last month. Much of this increase results from higher corn production in Argentina and Brazil where area is raised in both countries due to recently favorable weather and the sharp rise in world corn prices. Corn production for Argentina and Brazil is raised 1.5 million tons and 1 million tons, respectively. Corn production is also raised 0.5 million tons in Canada, Russia, South Africa, and Ukraine. Partially offsetting these increases is a 0.6 million ton reduction in Croatia's corn output. The projected increase in South

Appendix H: Agricultural Supply Tables and Information

Africa reflects higher prices and adequate early season moisture that is expected to boost plantings. Corn production for Canada is raised based on recent estimates from Statistics Canada, which also lowered oat production 0.2 million tons. Changes for Croatia, Russia, and Ukraine are based on updated harvest results.

World coarse grain consumption and trade are raised this month. The largest increases in consumption are for Argentina and EU-25 corn. The increase for Argentina is driven by higher expected feed use. The rise in EU-25 consumption is consistent with higher imports and lower exports. High EU-25 grain prices are allowing intervention stocks to move into consumption. The largest export increases are projected for Argentina and Brazil where higher corn production will increase exportable supplies. Global coarse grain ending stocks are raised 2.5 million tons as corn stocks expand, especially in South Africa, Brazil, and EU-25.

RICE: No changes in rice are made on the 2006/07 supply side from a month ago. However, on the use side, 2006/07 exports are raised 5 million cwt to 102 million cwt. Despite a reduction in exports to some markets due to biotech rice (LLRICE601), exports to other markets are doing well, particularly to markets in the Western Hemisphere (including Mexico and Central America) and Iraq. Rough rice exports are increased 3 million cwt to 38 million cwt, while exports of combined milled and brown rice are increased 2 million cwt to 64 million cwt (on a rough basis). Long-grain exports are increased 4 million cwt and combined medium- and short-grain exports are increased 1 million cwt. As a result, ending stocks are lowered 5 million cwt to 29.5 million cwt. The season-average farm price range is raised 55 cents per cwt on the low end and increased 45 cents on the high end to \$9.55 to \$9.95 per cwt compared to \$7.62 per cwt in 2005/06.

Global 2006/07 rice supply and use are changed slightly from last month. Production and ending stocks are lowered marginally while imports and exports are increased slightly. The decline in global rice production is due to smaller crop projections for Australia, Brazil, and Uruguay, which are partially offset by increases for Argen-

tina, the Philippines, and South Korea. Brazil's imports are increased from a month ago. Global exports are raised slightly from a month ago with an increase for the United States, which is partially offset by reductions for Australia and Uruguay. World rice ending stocks for 2006/07 are projected at 78.6 million tons, down slightly from last month, but 1.8 million tons below 2005/06. Stocks are lowered for the United States, Australia, Brazil, Indonesia, and Uruguay and increased for Argentina, Vietnam, and South Korea.

OILSEEDS: Total U.S. oilseed production is projected at 97.0 million tons, down fractionally due to a slight reduction in cottonseed. Soybean supply and use projections for 2006/07 are unchanged from last month. Soybean ending stocks for 2006/07 are projected at a record 565 million bushels, up 26 percent from 2005/06. Soybean oil supply, use, and ending stocks for 2006/07 are all raised this month. Despite unchanged soybean crush, soybean oil production is increased due to a higher projected extraction rate.

U.S. season-average soybean prices for 2006/07 are projected at \$5.70 to \$6.50 compared with \$5.40 to \$6.40 last month. Soybean meal prices are unchanged at \$165 to \$190 per short ton. Soybean oil prices are projected at 26 to 29 cents per pound compared with 24 to 28 cents last month.

Global oilseed production for 2006/07 is projected at 395.5 million tons, up 3 million tons from last month. Foreign oilseed production accounts for most of the change with increases for soybeans, rapeseed, and sunflowerseed more than offsetting reductions for cottonseed. Argentina soybean production is increased 0.7 million tons to a record 42 million tons based on increased area as producers respond to higher prices. Canadian rapeseed production is raised 0.6 million tons to a record 9.1 million tons, based on the latest survey results from Statistics Canada. Canada's soybean crop is also increased this month based on the survey. Ukraine sunflowerseed production is increased to 5.0 million tons due to higher yields. Other changes include increased soybean production for India, increased cottonseed production for

China, reduced cottonseed production for Australia, and increased palm kernel production for Indonesia.

Global oilseed crush is increased this month to reflect higher soybean meal consumption, mainly in Brazil and Vietnam. Additionally, vegetable oil production, consumption, and stocks are increased due to gains in Malaysia and Indonesia palm oil production. Global oilseed stocks are increased 1 million tons as production gains are only partly offset by increased crush.

SUGAR: Projected 2006/07 U.S. sugar supply is increased 111,000 short tons, raw value, from last month, mainly due to higher production, which more than offsets lower beginning stocks. Production is increased 177,000 tons, based on processor estimates compiled by the Farm

Service Agency. Beet sugar production is increased 191,000 tons to a record 5.1 million tons, while Hawaii cane sugar production is lowered 24,000 tons. Louisiana cane sugar production is unchanged based on data reported by sugarcane processors prior to recent freezes. Sugar use is unchanged. For 2005/06, processor revisions reduce ending stocks 63,000 tons.

LIVESTOCK, POULTRY, AND DAIRY: Compared with last month, total forecasts for U.S. meat production is raised for 2006 but lowered for 2007. Beef production for 2006 is raised because cow slaughter during the fourth quarter is expected to remain high as cattle producers continue to respond to tight forage supplies. Small increases are made to broiler meat production but estimates for pork and turkey are unchanged from last month. The 2007 broiler meat forecasts are reduced from last month as eggs set and chick placements point to slower production growth. Beef, pork, and turkey production forecasts are unchanged.

Forecast 2006 prices for hogs, broilers, and turkeys are raised as production growth remains moderate, but cattle prices are slightly lower in the fourth quarter as packers continue to struggle with weak margins. Forecasts of cattle and hog prices are unchanged for 2007, but poultry

prices are raised as production growth is forecast to lag 2006 levels. Egg prices are raised as production growth is modest and demand remains firm.

Red meat and poultry trade forecasts for 2006 and 2007 are lowered from last month. Pork forecasts are little changed but imports of beef are reduced as recent imports from Australia are below expectations. Beef export forecasts for 2006 and 2007 are lowered as trade to a number of markets has slowed and uncertainties limit exports to South Korea. Broiler export forecasts for 2006 and 2007 are reduced, reflecting weaker-than-expected third quarter sales and apparent softness in export markets.

U.S. milk production forecasts for 2006 and 2007 are unchanged from last month. Despite gains in milk prices, weaker milk-feed price ratios will likely slow growth in milk production into 2007. However, dairy markets are relatively tight as demand for many dairy products is reducing skim-basis stocks and supporting higher prices. Supplies of butter are expected to remain ample, pressuring 2006 butter prices, but price forecasts for cheese, nonfat dry milk, and whey are raised from last month. As milk production growth slows in 2007, tight world supplies of dairy products are likely to support higher product prices. Thus, price forecasts for products, except butter, are raised from last month, resulting in higher Class price forecasts. The butter price forecast is lowered fractionally from last month. The range of the all milk price for 2006 is forecast at \$12.85 to \$12.95, and the price forecast for 2007 is \$13.70 to \$14.50.

COTTON: This month's 2006/07 U.S. cotton supply and demand estimates include lower domestic mill use and exports, resulting in higher ending stocks. Production is virtually unchanged, as a significant increase for Georgia is about offset by lower estimates for the Carolinas, the Delta States, and the California Pima crop. Domestic mill use is reduced to 5.1 million bales based on lower than expected activity to date. Exports are reduced 200,000 bales to 16.0 million as export sales and shipments to China continue to lag the year-ago level significantly. Ending stocks are raised 5 percent to 6.3 million bales.

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Slightly higher beginning stocks and production are raising the 2006/07 world ending stocks this month. Beginning stocks are raised in India and the African Franc Zone due to adjustments in 2005/06 trade. Production for the current season is raised in China, Brazil, and Turkmenistan, but lowered in Australia, Syria, and Uzbekistan. World consumption and trade are virtually unchanged. Ending stocks are raised to 51.5 million bales, an increase of nearly 1 percent from last month.

Approved by the Secretary of Agriculture and the World Agricultural Outlook Board, Gerald A. Bange, Chairperson, (202) 720-6030. This report was prepared by the Interagency Commodity Estimates Committees.

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